



Iowa General Assembly
Daily Bills, Amendments & Study Bills
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House Amendment 1692

PAG LIN

1 1 Amend House File 561 as follows:
1 2 #1. By striking everything after the enacting clause
1 3 and inserting:
1 4 <Section 1. RISK ASSESSMENT INQUIRY. The utilities
1 5 board of the utilities division of the department
1 6 of commerce shall conduct an inquiry to identify
1 7 and analyze the risks associated with financing
1 8 nuclear power plants and the assignment of those
1 9 risks, and safety risks associated with traditional
1 10 nuclear facility and small modular reactor technology
1 11 construction. The board shall submit a report
1 12 containing a summary of the inquiry and resulting
1 13 recommendations to the general assembly by January
1 14 9, 2012. Any costs associated with the inquiry
1 15 shall be assigned by the board to a rate=regulated
1 16 electric utility that was subject to a revenue=sharing
1 17 settlement agreement with regard to its electric base
1 18 rates as of January 1, 2010.>
1 19 #2. By renumbering as necessary.

PETERSEN of Polk
HF561.2851 (1) 84
rn/nh



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House Amendment 1693

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1 1 Amend the amendment, H=1689, to House File 561 as
1 2 follows:
1 3 #1. Page 1, by striking lines 10 through 13 and
1 4 inserting <an annual basis, not more than one percent
1 5 of the applicable rate for each customer class for
1 6 the previous calendar year. The limitation in this
1 7 subparagraph division shall be applicable for the
1 8 longer of a period of ten years from the date the
1 9 ratemaking principles order is issued or the period of
1 10 construction of the facility.>>

KAJTAZOVIC of Black Hawk
H1689.2846 (1) 84
rn/nh



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House Amendment 1694

PAG LIN

1 1 Amend the amendment, H=1623, to House File 561 as
1 2 follows:
1 3 #1. Page 1, line 31, by striking <may> and inserting
1 4 <shall>

ISENHART of Dubuque
H1623.2837 (1) 84
rn/nh



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House Amendment 1695

PAG LIN

1 1 Amend Senate File 514, as amended, passed, and
1 2 reprinted by the Senate, as follows:
1 3 #1. Page 1, lines 10 and 11, by striking <allocate
1 4 at least> and inserting <not allocate more than>
1 5 #2. By renumbering as necessary.

COMMITTEE ON WAYS AND MEANS
SANDS of Louisa, Chairperson
SF514.2783 (5) 84
tw/sc



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House Amendment 1696

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1 1 Amend the amendment, H=1459, to House File 561 as
1 2 follows:
1 3 #1. Page 1, by striking lines 5 through 19 and
1 4 inserting:
1 5 <NEW SUBSECTION. 4. In the case of an application
1 6 to construct a nuclear generation facility, the
1 7 applicant commits to prepare plans addressing
1 8 United States nuclear regulatory commission and
1 9 federal emergency management agency public emergency
1 10 preparedness and response strategy requirements in
1 11 the event of an accident, natural disaster, or other
1 12 circumstance, condition, or occurrence compromising
1 13 the safety and security of the facility and posing a
1 14 potential threat to public health, safety, or welfare.
1 15 The plans shall also address coordination with state
1 16 emergency planning departments, public safety drills,
1 17 and emergency response testing in response to a
1 18 simulated nuclear disaster as required by the rules of
1 19 the United States nuclear regulatory commission and the
1 20 federal emergency management agency. >>

SODERBERG of Plymouth
H1459.2858 (1) 84
rn/nh



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House Amendment 1697

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1 1 Amend House File 561 as follows:

1 2 #1. Page 8, after line 33 by inserting:

1 3 <3A. A utility that files an application pursuant
1 4 to section 476A.3 to build a nuclear generating
1 5 facility including but not limited to small modular
1 6 reactor technology, or seeks authority pursuant to a
1 7 combined construction and operating license or an early
1 8 site permit from the United States nuclear regulatory
1 9 commission, or a utility which partners with a utility
1 10 filing an application or seeking authority, or a
1 11 utility which enters into a purchase agreement to buy
1 12 power generated by a nuclear facility, shall be subject
1 13 to a minimum capacity and energy savings performance
1 14 standard of a one and one-half percent annual reduction
1 15 in projected energy use based upon anticipated demand
1 16 and population shifts within the utility's service
1 17 area. The board shall determine a date by which the
1 18 utility shall annually submit energy savings results
1 19 achieved during the preceding twelve months documenting
1 20 the extent to which the one and one-half percent
1 21 reduction standard has been met. Application of the
1 22 reduction standard shall be subject to the following
1 23 requirements:

1 24 a. A utility subject to this subsection which
1 25 documents a kilowatt-hour or cubic foot energy usage
1 26 reduction which exceeds the level corresponding to
1 27 the reduction standard by more than one-tenth of one
1 28 percent shall be entitled to recover an additional
1 29 one percent of the costs of its energy efficiency
1 30 plan through the automatic adjustment mechanism under
1 31 section 476.6, subsection 8, for each one-tenth of one
1 32 percent by which the reduction standard is exceeded.

1 33 b. A utility subject to this subsection which
1 34 documents a reduction that fails to meet the reduction
1 35 standard by more than one-tenth of one percent shall
1 36 be subject to an assessment imposed by the board.
1 37 The electric utility shall be assessed two cents for
1 38 each kilowatt-hour of energy savings achieved below
1 39 the level corresponding to the reduction standard,
1 40 and shall be subject to an assessment of twenty
1 41 cents for each hundred cubic feet of energy savings
1 42 achieved below the level corresponding to the reduction
1 43 standard. Amounts assessed shall be remitted to
1 44 the board for allocation to an independent energy
1 45 efficiency administrator selected by the board on a
1 46 competitive basis to improve energy efficiency in a
1 47 manner established by the board by rule in the service
1 48 area of the utility.

1 49 c. The board shall designate by rule qualifying
1 50 energy savings or reduction activities in forms



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2 1 other than that primarily sold by a utility which
2 2 may be counted toward compliance with the reduction
2 3 standard, including but not limited to the promotion
2 4 of customer-owned renewable energy or plug-in hybrid
2 5 electric motor vehicles, and may permit allocation
2 6 of energy efficiency expenditures that do not have a
2 7 demonstrated cost-effectiveness if the board determines
2 8 the expenditures contribute to achievement of the
2 9 standard. The board may allocate additional weighting
2 10 to energy efficiency programs for qualified low-income
2 11 persons in achieving the reduction standard.
2 12 d. A utility otherwise subject to the reduction
2 13 standard may elect to opt out of compliance with the
2 14 standard by agreeing to an assessment determined by
2 15 the board in an amount corresponding to or sufficient
2 16 to attain the standard, which shall be remitted to
2 17 the board for allocation to an independent energy
2 18 efficiency administrator selected by the board as
2 19 provided in paragraph "b".>

ISENHART of Dubuque
HF561.2716 (2) 84
rn/nh



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1 1 Amend House File 564 as follows:
1 2 #1. By striking everything after the enacting clause
1 3 and inserting:
1 4
1 5 <DIVISION I
1 6 UNIFORM COMMON INTEREST OWNERSHIP ACT
1 7 Section 1. NEW SECTION. 499C.101 Title.
1 8 This chapter shall be known and cited as the
1 9 "Uniform Common Interest Ownership Act".
1 10 Sec. 2. NEW SECTION. 499C.102 Public policy.
1 11 The general assembly declares that it is the public
1 12 policy of the state that the management and affairs of
1 13 common interest communities be conducted openly, and
1 14 this chapter shall be construed, to provide open access
1 15 to the management of the common interest community to
1 16 the unit owners.
1 17 Sec. 3. NEW SECTION. 499C.103 Definitions.
1 18 As used in this chapter, unless the context
1 19 otherwise requires:
1 20 1. "Assessment" means a sum attributable to each
1 21 unit and due to the unit owners association as may be
1 22 provided in a declaration or in the bylaws.
1 23 2. "Bylaws" means the instruments, however
1 24 denominated, that contain the procedures for conducting
1 25 the affairs of the unit owners association or the
1 26 executive board regardless of the form in which the
1 27 association is organized, including any amendments to
1 28 such instruments.
1 29 3. "Common element" means:
1 30 a. For a cooperative under chapter 499A or a
1 31 horizontal property regime under chapter 499B, all
1 32 portions of the common interest community other than
1 33 the units.
1 34 b. For a planned community, any real estate within
1 35 the planned community which is owned or leased by the
1 36 unit owners association, other than a unit.
1 37 c. For all common interest communities, any other
1 38 interests in real estate for the benefit of unit owners
1 39 which are subject to the declaration.
1 40 4. "Common expense liability" means the liability
1 41 for common expenses allocated to each unit pursuant to
1 42 a declaration or bylaws.
1 43 5. "Common expenses" means expenditures made by, or
1 44 financial liabilities of, the unit owners association
1 45 or the executive board, together with any allocations
1 46 to reserves.
1 47 6. a. "Common interest community" means real estate
1 48 described in a declaration with respect to which a
1 49 person, by virtue of the person's ownership of a unit,
1 50 is obligated to pay for a share of real estate taxes,
insurance premiums, maintenance, or improvement of, or



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2 1 services or other expenses related to, common elements,
2 2 other units, or other real estate described in the
2 3 declaration. "Common interest community" includes
2 4 a cooperative under chapter 499A and a horizontal
2 5 property regime under chapter 499B.
2 6 b. Common interest community does not include:
2 7 (1) A covenant that requires the owners of separate
2 8 parcels of real estate to share costs or other
2 9 obligations related to a wall, driveway, well, or other
2 10 similar structure, unless all such owners consent in
2 11 writing to the creation of a common interest community.
2 12 (2) Real estate described in paragraph "a" if all
2 13 units are owned by a single unit owner.
2 14 7. "Declarant" means any person or group of persons
2 15 who, as the record title owner of real estate, by
2 16 a declaration, initially creates a common interest
2 17 community.
2 18 8. "Declaration" means the instrument, however
2 19 denominated, that creates a common interest community,
2 20 including any amendments to the instrument.
2 21 9. "Executive board" means the body, regardless of
2 22 name, designated in the declaration or bylaws to act on
2 23 behalf of the unit owners association.
2 24 10. "Planned community" means a common interest
2 25 community that is not a cooperative under chapter 499A
2 26 or a horizontal property regime under chapter 499B,
2 27 and includes property owner or homeowner associations.
2 28 However, a cooperative under chapter 499A or a
2 29 horizontal property regime under chapter 499B may be
2 30 part of a planned community.
2 31 11. "Rule" means a policy, guideline, restriction,
2 32 procedure, or regulation, however denominated, which is
2 33 not set forth in the declaration or bylaws.
2 34 12. "Unit" means a physical portion of the common
2 35 interest community designated for separate ownership or
2 36 occupancy or as otherwise defined in the statute under
2 37 which the common interest community is organized.
2 38 13. "Unit owner" means a declarant or other person
2 39 that owns a unit, but does not include a person
2 40 having an interest in a unit solely as security for
2 41 an obligation. In a horizontal property regime under
2 42 chapter 499B or a planned community, the declarant is
2 43 the owner of any unit created by the declaration. In
2 44 a cooperative under chapter 499A, the declarant is
2 45 the owner of any unit to which an interest has been
2 46 allocated until that unit has been conveyed to another
2 47 person.
2 48 14. "Unit owners association" means a unit owners
2 49 association organized under section 499C.201.
2 50 Sec. 4. NEW SECTION. 499C.104 Variation by



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3 1 agreement.
3 2 Except as expressly provided in this chapter,
3 3 the provisions of this chapter may not be varied
3 4 by agreement, and rights conferred by it may not be
3 5 waived.
3 6 Sec. 5. NEW SECTION. 499C.105 Applicability.
3 7 Unless otherwise provided by law:
3 8 1. This chapter applies to all common interest
3 9 communities established within this state on or after
3 10 July 1, 2011.
3 11 2. This chapter does not apply to common interest
3 12 communities of three or fewer units.
3 13 3. Sections 499C.301, 499C.302, 499C.401, 499C.402,
3 14 499C.403, and 499C.501 apply to common interest
3 15 communities established before July 1, 2011. Any
3 16 portion of a declaration, bylaws, covenant, or
3 17 other contractual provision existing prior to July
3 18 1, 2011, that violates section 499C.301, 499C.302,
3 19 499C.401, 499C.402, or 499C.403 is not enforceable.
3 20 However, nothing in this chapter shall be construed to
3 21 invalidate other provisions of the declaration, bylaws,
3 22 plats, or plans of those common interest communities
3 23 established before July 1, 2011.
3 24 Sec. 6. NEW SECTION. 499C.201 Unit owners
3 25 association.
3 26 1. A unit owners association shall be organized
3 27 not later than the date the first unit in the common
3 28 interest community is conveyed.
3 29 2. Membership of a unit owners association shall at
3 30 all times consist exclusively of all unit owners except
3 31 following termination of the common interest community,
3 32 at which time the unit owners association shall consist
3 33 of all former unit owners entitled to distributions of
3 34 proceeds or their heirs, successors, or assigns.
3 35 3. A unit owners association shall have an
3 36 executive board.
3 37 4. A unit owners association shall be organized
3 38 as a profit or nonprofit corporation, trust, limited
3 39 liability company, partnership, unincorporated
3 40 association, or any other form of organization
3 41 authorized by the law of this state. The requirements
3 42 of this chapter relating to a unit owners association
3 43 shall preempt any conflicting provision of the statute
3 44 under which the unit owner association is organized.
3 45 Sec. 7. NEW SECTION. 499C.202 Unit owners
3 46 association ==== powers and duties.
3 47 1. Except as otherwise provided in this chapter, a
3 48 unit owners association shall do all of the following:
3 49 a. Adopt bylaws which may be amended subject to the
3 50 provisions of section 499C.301.



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- 4 1 b. Adopt budgets, collect assessments for common
4 2 expenses from unit owners, and invest funds of the
4 3 association, if applicable.
- 4 4 2. Unless otherwise limited by a declaration or
4 5 bylaws, a unit owners association shall have authority
4 6 to do any of the following:
- 4 7 a. Adopt and amend rules for operation of the unit
4 8 owners association.
- 4 9 b. Hire, employ, and discharge employees, agents,
4 10 and independent contractors.
- 4 11 c. Institute, defend, or intervene in litigation,
4 12 arbitration, mediation, or administrative proceedings
4 13 on behalf of the unit owners association or for two
4 14 or more unit owners on matters affecting the common
4 15 interest community.
- 4 16 d. Make contracts and incur liabilities.
- 4 17 e. Regulate the use, maintenance, repair,
4 18 replacement, and modification of common elements.
- 4 19 f. Cause additional improvements to be made to the
4 20 common elements of the common interest community.
- 4 21 g. Acquire, hold, encumber, and convey any right,
4 22 title, or interest to real estate or personal property.
- 4 23 h. Grant easements, leases, licenses, and
4 24 concessions through or over the common elements of the
4 25 common interest community.
- 4 26 i. Impose and receive any payments, fees, or
4 27 charges for the use, rental, or operation of the common
4 28 elements, other than limited common elements as defined
4 29 in section 499B.2, and for services provided to unit
4 30 owners.
- 4 31 j. Impose charges for late payment of assessments
4 32 and, after notice and an opportunity to be heard,
4 33 impose reasonable monetary penalties for violations of
4 34 the declaration, bylaws, and rules of the association.
- 4 35 k. Impose reasonable charges for the preparation
4 36 and recording of statements of unpaid assessments.
- 4 37 l. Provide for the indemnification of its officers
4 38 and executive board, including maintenance of liability
4 39 insurance for directors and officers of the unit owners
4 40 association.
- 4 41 m. Assign its right to future income, including the
4 42 right to receive assessments.
- 4 43 n. Exercise powers conferred by the declaration or
4 44 bylaws.
- 4 45 o. Exercise all other powers that may be exercised
4 46 in this state by organizations of the same type as the
4 47 unit owners association.
- 4 48 p. Suspend any right or privilege of a unit owner
4 49 who fails to pay an assessment. The unit owners
4 50 association shall not, however, deny a unit owner or



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5 1 other occupant access to the owner's unit, suspend
5 2 a unit owner's right to vote, prevent a unit owner
5 3 from seeking election as a director or officer of
5 4 the association, or withhold services provided to a
5 5 unit or a unit owner by the association if the effect
5 6 of withholding the service would be to endanger the
5 7 health, safety, or property of any person.
5 8 q. Exercise any other powers necessary and proper
5 9 for the governance and operation of the association.
5 10 3. If a tenant of a unit owner violates the
5 11 declaration, bylaws, or rules of the association,
5 12 in addition to exercising any of its powers against
5 13 the unit owner, the association may do any of the
5 14 following:
5 15 a. Exercise the powers described in subsection 2,
5 16 paragraph "j", against the offending tenant.
5 17 b. After giving notice to the tenant and the unit
5 18 owner and providing each an opportunity to be heard,
5 19 levy reasonable monetary penalties against the tenant
5 20 for the violation.
5 21 c. Take other action against the tenant for the
5 22 violation in the same manner as the unit owner, acting
5 23 as landlord, could have exercised under the lease or
5 24 in the manner that the unit owners association could
5 25 lawfully have taken action directly against the unit
5 26 owner, or both. Action under this paragraph may only
5 27 be taken if the tenant or unit owner fails to remedy
5 28 the violation within ten days after notification by the
5 29 unit owners association of the violation.
5 30 4. Unless a lease of a unit otherwise provides,
5 31 this section does not do any of the following:
5 32 a. Affect rights that the unit owner possesses to
5 33 enforce the lease or that the unit owners association
5 34 has under other provisions of law.
5 35 b. In the absence of a violation of the
5 36 declaration, bylaws, or rules, authorize the unit
5 37 owners association to enforce a lease to which the unit
5 38 owners association is not a party.
5 39 5. An executive board may determine whether to
5 40 exercise the association's power to impose sanctions or
5 41 commence an action for a violation of the declaration,
5 42 bylaws, or rules, including whether to settle any
5 43 claim for unpaid assessments or other claim made by
5 44 or against the unit owners association. An executive
5 45 board does not have a duty to take enforcement
5 46 action if the executive board determines, following
5 47 consideration of the facts and circumstances presented,
5 48 any of the following:
5 49 a. The association's legal position does not
5 50 justify taking any or further enforcement action.



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6 1 b. The covenant, restriction, or rule being
6 2 enforced is, or is likely to be construed as,
6 3 inconsistent with law.
6 4 c. Despite the existence of a violation, the
6 5 violation is nonmaterial and does not justify
6 6 expenditure of the unit owners association resources.
6 7 d. It is not in the unit owners association's best
6 8 interests to pursue an enforcement action.
6 9 6. The failure of an executive board to take
6 10 action pursuant to subsection 5 shall not prevent the
6 11 executive board from taking enforcement action under a
6 12 similar set of circumstances or facts. The authority
6 13 of an executive board to take action under this chapter
6 14 shall not, however, be exercised in a arbitrary or
6 15 capricious manner.
6 16 Sec. 8. NEW SECTION. 499C.203 Executive board.
6 17 1. Except as otherwise provided in the declaration,
6 18 the bylaws, subsection 2, or provisions of the statute
6 19 under which the common interest community is organized,
6 20 an executive board acts on behalf of the unit owners
6 21 association. In the performance of their duties,
6 22 officers and members of the executive board appointed
6 23 by the declarant shall exercise the degree of care
6 24 and loyalty to the unit owners association required
6 25 of a trustee. Officers and members of an executive
6 26 board not appointed by the declarant shall exercise
6 27 the degree of care and loyalty to the unit owners
6 28 association required of an officer or director of a
6 29 corporation organized under chapter 504, and such
6 30 officers and members are subject to the conflict of
6 31 interest rules governing directors and officers under
6 32 chapter 504.
6 33 2. An executive board shall not act on behalf of
6 34 the unit owners association to amend the declaration,
6 35 to terminate the common interest community, to elect
6 36 members of the executive board, or determine the
6 37 qualifications, powers and duties, or terms of office
6 38 of executive board members. An executive board may
6 39 fill vacancies in its membership for the unexpired
6 40 portion of any term.
6 41 3. a. Subject to subsection 4, the declaration
6 42 may provide for a period of declarant control of the
6 43 unit owners association, during which a declarant, or
6 44 persons designated by the declarant, may appoint and
6 45 remove the officers and members of the executive board.
6 46 In no case, however, shall a period of declarant
6 47 control continue upon the occurrence of any of the
6 48 following:
6 49 (1) Sixty days after the conveyance of seventy=five
6 50 percent of all units in the common interest community



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7 1 to unit owners other than a declarant.
7 2 (2) Two years after all declarants have ceased
7 3 to offer units for sale in the ordinary course of
7 4 business.
7 5 (3) Two years after the addition of any number of
7 6 new units to the common interest community.
7 7 (4) The date the declarant, after giving written
7 8 notice to all unit owners, records an instrument
7 9 voluntarily surrendering all rights to control
7 10 activities of the unit owners association.
7 11 b. A declarant may voluntarily surrender the right
7 12 to appoint and remove officers and members of the
7 13 executive board before termination of the period under
7 14 paragraph "a". However, the declarant may retain,
7 15 for the duration of the period of declarant control,
7 16 approval authority for specified actions of the unit
7 17 owners association or executive board, as described in
7 18 a recorded instrument executed by the declarant.
7 19 4. a. Not later than sixty days after conveyance
7 20 of twenty=five percent of the units to unit owners
7 21 other than a declarant, at least one member and not
7 22 less than twenty=five percent of the members of the
7 23 executive board must be elected by unit owners other
7 24 than the declarant.
7 25 b. Not later than sixty days after conveyance of
7 26 fifty percent of the units to unit owners other than
7 27 a declarant, not less than one=third of the members
7 28 of the executive board must be elected by unit owners
7 29 other than the declarant.
7 30 5. Following the termination of any period of
7 31 declarant control under this section, the unit owners
7 32 shall elect an executive board of at least three
7 33 members, at least a majority of whom must be unit
7 34 owners. The executive board members shall elect
7 35 officers of the executive board. The executive board
7 36 members and officers shall take office upon election.
7 37 This subsection shall not apply to a common interest
7 38 community if all the units of the community are owned
7 39 by one owner.
7 40 6. Notwithstanding any provision of the declaration
7 41 or bylaws to the contrary, the unit owners, by a
7 42 two=thirds vote of all persons present and entitled
7 43 to vote at any meeting of the unit owners at which
7 44 a quorum is present, may remove any member of the
7 45 executive board with or without cause, other than a
7 46 member appointed by the declarant.
7 47 Sec. 9. NEW SECTION. 499C.301 Amendments to
7 48 governing instruments.
7 49 1. Except as otherwise provided in this section:
7 50 a. The declaration, bylaws, or plans of a common



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8 1 interest community established before July 1, 2011,
8 2 may be amended upon approval of two-thirds of the unit
8 3 owners or as otherwise provided in the declaration or
8 4 bylaws.

8 5 b. The declaration, bylaws, or plans of a common
8 6 interest community created on or after July 1, 2011,
8 7 may be amended by two-thirds of the unit owners unless
8 8 the declaration or bylaws expressly require a greater
8 9 or lesser percentage.

8 10 2. Notwithstanding any provision of law to the
8 11 contrary, a declaration may expressly reserve authority
8 12 to the executive board, with or without the consent of
8 13 unit owners, to amend the declaration, bylaws, or plans
8 14 of a common interest community to add land, buildings,
8 15 or both.

8 16 3. a. Following adoption of an amendment to a
8 17 declaration, bylaws, or plans, the amendment or a copy
8 18 of the amended declaration, bylaws, or plan shall be
8 19 recorded with the county recorder of the county where
8 20 the property is located.

8 21 b. An amendment may be recorded on behalf of the
8 22 required number of unit owners by the officers of the
8 23 association if the officers verify under oath that the
8 24 proceedings to approve the amendment satisfied the
8 25 requirements of this chapter.

8 26 4. An amendment to a declaration, the bylaws, or
8 27 plans to prohibit or materially restrict the permitted
8 28 uses of a unit, the permitted uses of a common element,
8 29 or the number or other qualifications of persons
8 30 who may occupy units shall only be approved upon the
8 31 affirmative vote of unit owners equal in number to at
8 32 least eighty percent of the total unit owner votes
8 33 in the association, unless the declaration requires a
8 34 larger percentage. An amendment approved under this
8 35 subsection shall provide reasonable protection for a
8 36 use or occupancy permitted prior to adoption of the
8 37 amendment.

8 38 5. a. If a declaration, the bylaws, or a plan
8 39 requires the consent of a holder of a security
8 40 interest in a unit as a condition to the adoption or
8 41 implementation of an amendment, consent is deemed
8 42 provided if a written refusal to consent is not
8 43 received by the association within sixty days after the
8 44 association delivers notice of the proposed amendment
8 45 to the holder of the security interest at an address
8 46 provided by the holder or after the association mails
8 47 the notice of the proposed amendment to the holder
8 48 by certified mail, return receipt requested, at
8 49 the address provided. If the holder of a security
8 50 interest has not provided to the association an address



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9 1 for notice, the association shall provide notice to
9 2 the address in the security interest of record, if
9 3 available.
9 4 b. Notwithstanding any provision of this section
9 5 to the contrary, an amendment to the declaration,
9 6 bylaws, or plans that affects the priority of a
9 7 holder's security interest or the ability of a holder
9 8 to foreclose a security interest may not be adopted
9 9 without the security holder's written consent if the
9 10 declaration, bylaws, or plans requires that consent as
9 11 a condition to the adoption or implementation of the
9 12 amendment.

9 13 6. If a declaration requires that amendments,
9 14 including amendments under subsection 4, to the
9 15 declaration, bylaws, or plans be adopted only upon the
9 16 affirmative vote of unit owners equal in number to at
9 17 least eighty percent of the total unit owner votes in
9 18 the association, the amendment is approved if one of
9 19 the following is met:

9 20 a. A number of unit owners comprising at least
9 21 eighty percent of the total unit owner votes in the
9 22 association votes affirmatively for the proposed
9 23 amendment, no owner votes against the proposed
9 24 amendment, all required notices of the proposed
9 25 amendment are delivered to each unit owner as required
9 26 under this chapter, and the association does not
9 27 receive a written objection to the proposed amendment
9 28 within sixty days after delivery of the notice.

9 29 b. A number of unit owners comprising at least
9 30 eighty percent of the total unit owner votes in the
9 31 unit owners association votes affirmatively for the
9 32 proposed amendment unit, one or more owner votes
9 33 against the proposed amendment, and pursuant to an
9 34 action brought by the association in the district court
9 35 of the county where the property is located against
9 36 all objecting unit owners, the court finds that the
9 37 objecting unit owners do not have an interest different
9 38 in kind from the interests of the other unit owners
9 39 that the voting requirement of the declaration, bylaws,
9 40 or plans was intended to protect.

9 41 7. An action challenging the validity of an
9 42 amendment adopted pursuant to this chapter shall not
9 43 be brought more than one year after the amendment is
9 44 recorded.

9 45 Sec. 10. NEW SECTION. 499C.302 Rules.

9 46 1. Unless otherwise limited by a declaration or
9 47 bylaws, an executive board may adopt and amend rules
9 48 for the operation of the executive board or other
9 49 matters authorized in the declaration or bylaws.
9 50 Before adopting, amending, or repealing a rule, the



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10 1 executive board shall give each unit owner a notice
10 2 that states the executive board's intention to adopt,
10 3 amend, or repeal a rule, provides the text of the
10 4 rule or the proposed change, and states the date the
10 5 executive board intends to act on the proposed rule or
10 6 amendment following consideration of comments from unit
10 7 owners.

10 8 2. A unit owners association may adopt rules to
10 9 establish and enforce construction and design criteria
10 10 and aesthetic standards if the declaration so provides.
10 11 In accordance with the declaration, a unit owners
10 12 association shall adopt procedures for enforcement
10 13 of those standards and for approval of construction
10 14 applications, including a timeline within which the
10 15 unit owners association must act on an application and
10 16 the consequences of a unit owners association's failure
10 17 to act.

10 18 3. Following adoption, amendment, or repeal of a
10 19 rule, the officers of the unit owners association or
10 20 executive board, as applicable, shall notify each unit
10 21 owner of the action and provide a copy of any new or
10 22 revised rule.

10 23 4. A rule regulating display of the flag of the
10 24 United States shall be consistent with federal law. A
10 25 unit owners association shall not prohibit on a unit
10 26 or on a limited common element, as defined in section
10 27 499B.2, adjoining a unit the display of the flag of
10 28 this state, or signs regarding candidates for public
10 29 office or unit owners association office or public
10 30 measures, but the association may adopt rules governing
10 31 the time, place, size, number, and manner of those
10 32 displays.

10 33 5. Unit owners may peacefully assemble on common
10 34 elements to consider matters related to the common
10 35 interest community, but the unit owners association may
10 36 adopt rules governing the time, place, and manner of
10 37 such assemblies.

10 38 6. A unit owners association may adopt rules that
10 39 restrict the use of unit or behavior within units that
10 40 may be used for residential purposes, but only to do
10 41 the following:

- 10 42 a. Implement a provision of the declaration.
- 10 43 b. Regulate a behavior in or the occupancy of a
10 44 unit that violates the declaration or adversely affects
10 45 the use and enjoyment of other units or the common
10 46 elements by other unit owners.
- 10 47 c. Restrict the leasing of residential units to
10 48 the extent the rules are reasonably designed to meet
10 49 underwriting requirements of institutional lenders
10 50 that regularly make loans secured by first mortgages



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11 1 on units in common interest communities or regularly
11 2 purchase such mortgages.
11 3 7. A unit owners association's internal business
11 4 operating procedures are exempt from the requirements
11 5 of this section.
11 6 8. Each rule adopted by a unit owners association
11 7 or executive board shall be reasonable in nature and
11 8 scope.
11 9 Sec. 11. NEW SECTION. 499C.401 Meetings.
11 10 1. Meetings of a unit owners association, whether
11 11 such association is incorporated or unincorporated,
11 12 shall comply with all of the following:
11 13 a. A unit owners association shall hold a meeting
11 14 of unit owners annually at a time, date, and place
11 15 stated in or determined in accordance with the
11 16 declaration or bylaws.
11 17 b. A unit owners association shall hold a special
11 18 meeting of unit owners to address any matter affecting
11 19 the unit owners association if the association's
11 20 president, a majority of the executive board, or
11 21 an amount of unit owners comprising at least twenty
11 22 percent of all votes in the association, unless a
11 23 different percentage is specified in the bylaws,
11 24 request that the secretary call the meeting. If the
11 25 unit owners association does not notify unit owners of
11 26 a special meeting within thirty days after the required
11 27 number of unit owners has requested the secretary
11 28 to call a special meeting, the requesting members
11 29 may directly notify all unit owners of the meeting.
11 30 Only matters described in the meeting notice may be
11 31 considered at a special meeting.
11 32 c. A unit owners association shall notify each
11 33 unit owner of the time, date, and place of each annual
11 34 and special unit owners meeting not less than ten
11 35 days and not more than sixty days before the meeting
11 36 date. Notice may be by any means described in section
11 37 499C.403. Each meeting notice shall state the time,
11 38 date, and place of the meeting and the items on the
11 39 agenda in a manner reasonably calculated to apprise
11 40 the unit owners of that information, including but not
11 41 limited to:
11 42 (1) A statement of the general nature of any
11 43 proposed amendment to the declaration or bylaws.
11 44 (2) A statement describing any budget changes.
11 45 (3) Any proposal to remove an officer or member of
11 46 the executive board.
11 47 d. The requirements relating to the timing of
11 48 meeting notices under paragraph "c" may be reduced or
11 49 waived for a meeting called to address an emergency.
11 50 A meeting called to address an emergency shall be



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12 1 limited to matters arising out of the emergency. The
12 2 decision of an officer of the unit owners association
12 3 to convene a meeting for an emergency shall be ratified
12 4 by a majority of unit owners required by the bylaws to
12 5 conduct the business of the unit owners association.
12 6 e. Each unit owner shall be given a reasonable
12 7 opportunity at any meeting to comment on any matter
12 8 affecting the common interest community or the unit
12 9 owners association.
12 10 f. The declaration or bylaws may allow for meetings
12 11 of unit owners to be conducted by telephonic, video, or
12 12 other conferencing method, if such method is consistent
12 13 with subsection 2, paragraph "g".
12 14 2. Meetings of the executive board and committees
12 15 of the unit owners association, authorized to act for
12 16 the unit owners association, shall comply with all of
12 17 the following:
12 18 a. Meetings shall be open to the unit owners except
12 19 during executive sessions. The executive board and
12 20 committees of the unit owners association may hold an
12 21 executive session only during a regular or special
12 22 meeting of the board or the committee. No final vote
12 23 or action may be taken during an executive session. An
12 24 executive session may only be held for the following
12 25 reasons:
12 26 (1) To consult with the unit owners association's
12 27 attorney concerning legal matters governed by
12 28 attorney-client privilege.
12 29 (2) To discuss existing or potential litigation or
12 30 mediation, arbitration, or governmental administrative
12 31 proceedings.
12 32 (3) To discuss matters relating to the job
12 33 performance, compensation, or health records of an
12 34 individual employee or specific complaints against an
12 35 individual employee of the unit owners association or
12 36 an independent contractor employed by the unit owners
12 37 association.
12 38 (4) To discuss contracts, leases, and other
12 39 commercial transactions for goods or services that are
12 40 under negotiation, including the review of bids or
12 41 proposals, if public disclosure of such matters would
12 42 place the unit owners association at a disadvantage.
12 43 (5) To discuss personal, health, or financial
12 44 information relating to a unit owner, a specific
12 45 employee of the unit owners association, or a specific
12 46 employee of an independent contractor retained by the
12 47 unit owners association, including any records of the
12 48 unit owners association relating to such information.
12 49 b. For purposes of this section, a gathering of
12 50 board members at which the board members do not conduct



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13 1 unit owners association business is not a meeting of
13 2 the executive board. Executive board members shall not
13 3 use incidental or social gatherings of board members
13 4 or any other method to evade the meeting and notice
13 5 requirements of this section.

13 6 c. During a period of declarant control, the
13 7 executive board shall meet at least four times a year.
13 8 At least one of the meetings shall be held at the
13 9 common interest community or at a place convenient
13 10 to the unit owners of the common interest community.
13 11 After termination of the period of declarant control,
13 12 all executive board meetings shall be at the common
13 13 interest community or at a place convenient to the unit
13 14 owners of the common interest community unless the unit
13 15 owners amend the bylaws to vary the location of such
13 16 meetings.

13 17 d. At each executive board meeting, the executive
13 18 board shall provide a reasonable opportunity for unit
13 19 owners to comment on any matter affecting the common
13 20 interest community and the unit owners association.

13 21 e. Unless the meeting is included in a schedule
13 22 given to the unit owners or the meeting is called to
13 23 address an emergency, the secretary or other officer
13 24 specified in the bylaws shall give notice of each
13 25 executive board meeting to each executive board member
13 26 and to each unit owner. Such notice shall be given at
13 27 least ten days before the meeting and shall state the
13 28 time, date, place, and agenda of the meeting.

13 29 f. If any materials are distributed to the
13 30 executive board before a meeting, the executive board,
13 31 upon receipt of the materials, shall make copies
13 32 reasonably available to unit owners, except that the
13 33 executive board is not required to make available
13 34 copies of unapproved minutes or materials that are to
13 35 be considered during an executive session.

13 36 g. Unless otherwise provided in the declaration or
13 37 bylaws, the executive board may conduct a meeting by
13 38 telephonic, video, or other conferencing method if all
13 39 of the following conditions are met:

13 40 (1) The meeting notice states the conferencing
13 41 method to be used and provides information explaining
13 42 how unit owners may participate in the conference
13 43 directly or by meeting at a central location or
13 44 conference connection.

13 45 (2) The process provides all unit owners the
13 46 opportunity to hear or perceive the discussion and to
13 47 comment on matters before the executive board.

13 48 h. Following termination of the period of declarant
13 49 control, unit owners may amend the bylaws to vary the
13 50 procedures for meetings described in paragraph "g".



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14 1 i. In lieu of a meeting, the executive board may
14 2 act by unanimous consent if such action is documented
14 3 in a record authenticated by all executive board
14 4 members. The secretary shall give prompt notice to all
14 5 unit owners of any action taken by unanimous consent.
14 6 After termination of the period of declarant control,
14 7 an executive board may act by unanimous consent only to
14 8 undertake ministerial actions or to implement actions
14 9 previously taken at a meeting of the executive board.
14 10 j. Unless otherwise restricted by this chapter or
14 11 the common interest community's bylaws, an executive
14 12 board may determine rules of procedure for the
14 13 executive board.
14 14 k. An executive board may remove any person from
14 15 a meeting of the executive board upon a finding by a
14 16 majority of the board members that the person is being
14 17 disruptive to the meeting. An executive board may bar
14 18 any person from meetings of the executive board or
14 19 other meetings of the common interest community for a
14 20 period of up to one year if the person has been twice
14 21 removed from a meeting within the preceding twelve
14 22 months.
14 23 l. An action by an executive board that is not
14 24 in compliance with this section is valid unless
14 25 invalidated by a court. A challenge to the validity of
14 26 an action of the executive board for failure to comply
14 27 with this section shall not be brought more than sixty
14 28 days after the minutes of the executive board of the
14 29 meeting at which the action was taken are approved
14 30 or the record of that action is distributed to unit
14 31 owners, whichever is later.
14 32 Sec. 12. NEW SECTION. 499C.402 Association
14 33 records.
14 34 1. A unit owners association shall retain all of
14 35 the following:
14 36 a. Detailed records of receipts and expenditures
14 37 relating to the operation and administration of
14 38 the unit owners association and other appropriate
14 39 accounting records.
14 40 b. Minutes of all unit owners meetings and
14 41 executive board meetings, a record of all actions taken
14 42 by the unit owners or the executive board without
14 43 a meeting, and a record of all actions taken by a
14 44 committee in place of the executive board on behalf
14 45 of the unit owners association. The minutes retained
14 46 by the unit owners association shall indicate the
14 47 date, time, and place of the meeting, the names of all
14 48 persons present at the meeting, and each action taken
14 49 at the meeting. The minutes shall also include the
14 50 results of each vote taken at the meeting, including



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15 1 information indicating the vote of each executive
15 2 board member present at the meeting. The vote of each
15 3 executive board member present shall be made public at
15 4 the open session.

15 5 c. The names of all unit owners in a form that
15 6 permits preparation of a list of the names of all
15 7 owners and the regular mail and electronic mail
15 8 addresses at which the unit owners association
15 9 communicates with them, the records shall indicate the
15 10 number of votes each unit owner is entitled to cast.

15 11 d. The unit owners association's original and
15 12 amended organizational documents, bylaws including all
15 13 amendments to the bylaws, and all rules of the common
15 14 interest community currently in effect.

15 15 e. All financial statements and tax returns of the
15 16 unit owners association for the past three years.

15 17 f. A list of the names and addresses of the current
15 18 executive board members and officers.

15 19 g. The unit association's most recent annual report
15 20 delivered to the secretary of state, if applicable.

15 21 h. Copies of each contract to which the unit owners
15 22 association is currently a party.

15 23 i. Records of executive board or committee actions
15 24 relating to requests for design or architectural
15 25 approval from unit owners.

15 26 j. Ballots, proxies, and other records related to
15 27 voting by unit owners for one year after the election,
15 28 action, or vote.

15 29 2. Except as provided under subsections 3 and
15 30 4, all records retained by a unit owners association
15 31 must be available for examination and copying by a
15 32 unit owner or the unit owner's authorized agent during
15 33 reasonable business hours or at a mutually convenient
15 34 time and location upon providing a five days' notice
15 35 that reasonably identifies the specific records that
15 36 are being requested.

15 37 3. Records retained by a unit owners association
15 38 may be withheld from inspection and copying to the
15 39 extent that they concern:

15 40 a. Personally identifiable information, salary, and
15 41 medical records relating to specific individuals.

15 42 b. Information relating to contracts, leases, and
15 43 other commercial transactions to purchase or provide
15 44 goods or services, currently under negotiation.

15 45 c. Information relating to existing or potential
15 46 litigation, mediation, arbitration, or governmental
15 47 administrative proceedings.

15 48 d. Information relating to existing or potential
15 49 matters involving governmental administrative
15 50 proceedings or other proceedings before a government



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16 1 tribunal for enforcement of the declaration, bylaws,
16 2 or rules.
16 3 e. Communications with the unit owners association
16 4 attorney which are otherwise protected by the
16 5 attorney=client privilege or the attorney work=product
16 6 doctrine.
16 7 f. Information that if disclosed would violate
16 8 another provision of law.
16 9 g. Records of an executive session of the executive
16 10 board. However, upon the completion of a matter
16 11 that is the subject of an executive session held
16 12 under section 499C.401, subsection 2, paragraph "a",
16 13 subparagraphs (1) through (4), such records of the
16 14 executive session shall be available for inspection as
16 15 provided in this section.
16 16 h. Records directly related to the personal,
16 17 health, or financial information of a unit owner, if
16 18 the person requesting the records is not the unit owner
16 19 that is the subject of the records.
16 20 4. A unit owners association may charge a
16 21 reasonable fee for providing copies of any records
16 22 under this section and for supervising the inspection
16 23 of such records.
16 24 5. The right to inspect records under this section
16 25 includes the right to copy records by photocopying or
16 26 other means including copies through an electronic
16 27 transmission, if available, upon request of the
16 28 requester.
16 29 6. A unit owners association is not obligated to
16 30 compile or synthesize information or records under this
16 31 section.
16 32 7. Information or records obtained under this
16 33 section shall not be used for commercial purposes.
16 34 Sec. 13. NEW SECTION. 499C.403 Notice to unit
16 35 owners.
16 36 1. A unit owners association or an executive board,
16 37 as applicable, shall deliver each notice required to be
16 38 given by the association or board under this chapter
16 39 to the regular mail address or electronic mail address
16 40 provided by each unit owner. If a regular mail address
16 41 or electronic mail address is not provided by the unit
16 42 owner, the notice may be delivered using any of the
16 43 following methods:
16 44 a. Hand delivery to the unit owner.
16 45 b. Mailing by regular mail or certified mail, as
16 46 defined in section 618.15, to the address of the unit.
16 47 c. Any other method reasonably calculated to
16 48 provide notice to the unit owner.
16 49 2. The ineffectiveness of a good=faith effort to
16 50 deliver notice under subsection 1 does not invalidate



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17 1 an action taken at a meeting or an action taken by
17 2 other means.
17 3 Sec. 14. NEW SECTION. 499C.501 Cause of action ====
17 4 attorney fees.

17 5 A declarant, unit owners association, unit owner,
17 6 or any other person subject to this chapter may bring
17 7 an action to enforce a right granted or obligation
17 8 imposed by this chapter, the declaration, or the
17 9 bylaws. In any action brought under this chapter,
17 10 the court may award reasonable attorney fees to the
17 11 prevailing party. In any action brought under this
17 12 chapter, the unit owners association or the executive
17 13 board, as applicable, shall have the burden of proving
17 14 by a preponderance of the evidence that a duty or
17 15 requirement imposed on the unit owners association or
17 16 executive board under this chapter has been met.

17 17 DIVISION II
17 18 ADDITIONAL PROVISIONS AND
17 19 CORRESPONDING CHANGES

17 20 Sec. 15. NEW SECTION. 499A.1A Applicability.
17 21 This chapter shall apply to cooperatives established
17 22 under this chapter unless otherwise provided in chapter
17 23 499C.

17 24 Sec. 16. NEW SECTION. 499B.1A Applicability.
17 25 This chapter applies to horizontal property regimes
17 26 established under this chapter unless otherwise
17 27 provided in chapter 499C.

17 28 Sec. 17. Section 499B.2, Code 2011, is amended by
17 29 adding the following new subsection:

17 30 NEW SUBSECTION. 1A. "As=built certificate" means
17 31 a certificate and any accompanying documentation
17 32 from a competent licensed professional engineer,
17 33 licensed land surveyor, or registered architect,
17 34 that certifies that such individual has examined the
17 35 plan filed with the declaration and that the plan
17 36 does diagrammatically represent, insofar as may be
17 37 reasonably determined through the use of nondestructive
17 38 measurement techniques, the building, the general
17 39 common elements, and the limited common elements that
17 40 have been constructed on the real estate described in
17 41 the declaration and plans.

17 42 Sec. 18. Section 499B.6, Code 2011, is amended to
17 43 read as follows:

17 44 499B.6 Copy of ~~the floor~~ plans to be filed.
17 45 1. There shall be attached to the declaration, at
17 46 the time it is filed, a full and an exact copy of the
17 47 plans of the building, ~~which copy shall be entered~~
~~17 48 of record along with the declaration or buildings and~~
~~17 49 an as=built certificate or a certificate described in~~
17 50 subsection 2, paragraph "a".



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18 1 2. a. If a portion of the horizontal property
18 2 regime is not completed at the time the declaration
18 3 is filed, the declaration may be filed, in lieu of an
18 4 as=built certificate, with a certification that the
18 5 plans diagrammatically represent, insofar as reasonably
18 6 ascertainable, the buildings the declarant intends to
18 7 construct.
18 8 b. Upon completion of all buildings of a horizontal
18 9 property regime, for which a certificate under
18 10 paragraph "a" was filed, the declarant shall file for
18 11 recording an as=built certificate.
18 12 c. Upon completion of a discrete portion of a
18 13 horizontal property regime project, a declarant may
18 14 file an as=built certificate for the portion then
18 15 completed.
18 16 d. The absence of a certificate described in this
18 17 subsection for a declaration recorded before July 1,
18 18 2011, shall not affect the marketability of title.
18 19 3. The plans described in subsection 1 shall show
18 20 graphically all particulars of the building, including,
18 21 but not limited to, the dimensions, area, and location
18 22 of common elements affording access to each apartment.
18 23 Other common elements, both limited and general, shall
18 24 be shown graphically insofar as possible and shall
~~18 25 be certified to by an engineer, architect, or land~~
~~18 26 surveyor, who is registered or licensed to practice~~
~~18 27 that profession in this state.~~
18 28 Sec. 19. Section 499B.15, subsection 2, Code 2011,
18 29 is amended by striking the subsection.>
18 30 #2. By renumbering as necessary.

HAGENOW of Polk
HF564.1967 (1) 84
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House Resolution 52 - Introduced

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HOUSE RESOLUTION NO.

BY PAUSTIAN

1 1 A Resolution calling for the curtailment and assessment
1 2 of air quality regulation by the United States
1 3 environmental protection agency.

1 4 WHEREAS, the United States environmental protection
1 5 agency (EPA) has proposed or is proposing numerous
1 6 new air quality regulations that have had and will
1 7 potentially have an enormous negative effect on this
1 8 state's residential, commercial, and industrial energy
1 9 consumers by increasing rates; and

1 10 WHEREAS, the EPA's regulatory activity regarding
1 11 air quality and greenhouse gases has been referred
1 12 to as a "train wreck" because of the numerous and
1 13 overlapping requirements, the uncertainty created by
1 14 the continual demand to upgrade or comply with a new
1 15 set of regulations, and the potentially devastating
1 16 consequences this regulatory activity may have on the
1 17 economy of this state; and

1 18 WHEREAS, the EPA has not undertaken any
1 19 comprehensive study of the cumulative effects of
1 20 this new regulatory activity on the economy, jobs,
1 21 and competitiveness of the United States; nor has it
1 22 performed any comprehensive study of the prospective
1 23 environmental benefits of its greenhouse gas regulation
1 24 in terms of the impact on global climate change; and

1 25 WHEREAS, having identified taking action on climate
1 26 change and improving air quality as its first strategic
1 27 goal for the 2011=2015 time period, the EPA should be
1 28 required to identify the specific actions it intends



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House Resolution 52 - Introduced continued

2 1 to take to achieve these goals and to assess the total
2 2 cost of the actions required to achieve them; and
2 3 WHEREAS, the General Assembly of the State of Iowa
2 4 supports continuing improvements in the quality of the
2 5 nation's air and believes that such improvements can be
2 6 made in a sensible fashion without damaging the economy
2 7 so long as there is a full understanding of the cost of
2 8 the regulations at issue; and
2 9 WHEREAS, the regulations under consideration could
2 10 pose significant compliance challenges for the electric
2 11 power sector, both with respect to economic burden and
2 12 the feasibility of implementation by the contemplated
2 13 deadlines; NOW THEREFORE,
2 14 BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES, That
2 15 the House of Representatives supports the imposition
2 16 of a moratorium on enforcement of rules regulating
2 17 greenhouse gas emissions for a period of at least two
2 18 years, and a moratorium on enforcement of existing or
2 19 proposed rules regulating air quality for at least
2 20 two years, except air quality regulation which the
2 21 EPA can document by a preponderance of evidence will
2 22 result in an imminent or irreversible threat to public
2 23 health or the environment if subject to a delay in
2 24 implementation; and
2 25 BE IT FURTHER RESOLVED, That the House of
2 26 Representatives supports requiring the EPA to undertake
2 27 a study, drawing on the expertise of both the EPA and
2 28 federal agencies and departments possessing expertise
2 29 in and responsibility for the United States economy
2 30 and electric utility generation and regulation,



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House Resolution 52 - Introduced continued

3 1 to identify all regulatory activity that the EPA
3 2 intends to undertake in furtherance of its goal of
3 3 taking action on climate change and improving air
3 4 quality. The study should specify the cumulative
3 5 effects of these regulations on the economy, jobs, and
3 6 competitiveness of the United States, and provide an
3 7 objective cost-benefit analysis of the EPA's current
3 8 and anticipated air quality regulation; and
3 9 BE IT FURTHER RESOLVED, That a copy of this
3 10 resolution be sent to the members of Iowa's
3 11 congressional delegation.

LSB 2782HH (3) 84

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House Study Bill 240

SENATE/HOUSE FILE
BY (PROPOSED GOVERNOR'S
BILL)

A BILL FOR

1 An Act relating to state and local government finances by
2 increasing the regular program foundation base, establishing
3 property tax levy limits for cities and counties,
4 establishing certain property assessment limitations, and
5 including applicability provisions.
6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
TLSB 2786XL (4) 84
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House Study Bill 240 continued

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1 1 DIVISION I
1 2 EDUCATION FINANCE
1 3 Section 1. Section 257.1, subsection 2, paragraph b, Code
1 4 2011, is amended by striking the paragraph and inserting in
1 5 lieu thereof the following:
1 6 b. (1) The regular program foundation base per pupil is the
1 7 following:
1 8 (a) For the budget year commencing July 1, 2011, the
1 9 regular program foundation base per pupil is eighty=seven and
1 10 five=tenths percent of the regular program state cost per
1 11 pupil.
1 12 (b) For the budget year commencing July 1, 2012, the
1 13 regular program foundation base per pupil is eighty=nine and
1 14 twenty=eight hundredths percent of the regular program state
1 15 cost per pupil.
1 16 (c) For the budget year commencing July 1, 2013, the
1 17 regular program foundation base per pupil is ninety=one and six
1 18 hundredths percent of the regular program state cost per pupil.
1 19 (d) For the budget year commencing July 1, 2014, the regular
1 20 program foundation base per pupil is ninety=two and eighty=four
1 21 hundredths percent of the regular program state cost per pupil.
1 22 (e) For the budget year commencing July 1, 2015, the regular
1 23 program foundation base per pupil is ninety=four and sixty=two
1 24 hundredths percent of the regular program state cost per pupil.
1 25 (f) For the budget year commencing July 1, 2016, the regular
1 26 program foundation base per pupil is ninety=six and forty
1 27 hundredths percent of the regular program state cost per pupil.
1 28 (g) For the budget year commencing July 1, 2017, the regular
1 29 program foundation base per pupil is ninety=eight and eighteen
1 30 hundredths percent of the regular program state cost per pupil.
1 31 (h) For the budget year commencing July 1, 2018, and
1 32 succeeding budget years, the regular program foundation base
1 33 per pupil is one hundred percent of the regular program state
1 34 cost per pupil.
1 35 (2) For each budget year, the special education support



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2 1 services foundation base is seventy-nine percent of the special
2 2 education support services state cost per pupil. The combined
2 3 foundation base is the sum of the regular program foundation
2 4 base, the special education support services foundation base,
2 5 the total teacher salary supplement district cost, the total
2 6 professional development supplement district cost, the total
2 7 early intervention supplement district cost, the total area
2 8 education agency teacher salary supplement district cost,
2 9 and the total area education agency professional development
2 10 supplement district cost.

2 11 DIVISION II

2 12 PROPERTY ASSESSMENT LIMITATIONS

2 13 Sec. 2. Section 441.21, subsection 4, Code 2011, is amended
2 14 to read as follows:

2 15 4. For valuations established as of January 1, 1979,
2 16 the percentage of actual value at which agricultural and
2 17 residential property shall be assessed shall be the quotient
2 18 of the dividend and divisor as defined in this section. The
2 19 dividend for each class of property shall be the dividend
2 20 as determined for each class of property for valuations
2 21 established as of January 1, 1978, adjusted by the product
2 22 obtained by multiplying the percentage determined for that
2 23 year by the amount of any additions or deletions to actual
2 24 value, excluding those resulting from the revaluation of
2 25 existing properties, as reported by the assessors on the
2 26 abstracts of assessment for 1978, plus six percent of the
2 27 amount so determined. However, if the difference between the
2 28 dividend so determined for either class of property and the
2 29 dividend for that class of property for valuations established
2 30 as of January 1, 1978, adjusted by the product obtained by
2 31 multiplying the percentage determined for that year by the
2 32 amount of any additions or deletions to actual value, excluding
2 33 those resulting from the revaluation of existing properties,
2 34 as reported by the assessors on the abstracts of assessment
2 35 for 1978, is less than six percent, the 1979 dividend for the



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3 1 other class of property shall be the dividend as determined for
3 2 that class of property for valuations established as of January
3 3 1, 1978, adjusted by the product obtained by multiplying
3 4 the percentage determined for that year by the amount of
3 5 any additions or deletions to actual value, excluding those
3 6 resulting from the revaluation of existing properties, as
3 7 reported by the assessors on the abstracts of assessment for
3 8 1978, plus a percentage of the amount so determined which is
3 9 equal to the percentage by which the dividend as determined
3 10 for the other class of property for valuations established
3 11 as of January 1, 1978, adjusted by the product obtained by
3 12 multiplying the percentage determined for that year by the
3 13 amount of any additions or deletions to actual value, excluding
3 14 those resulting from the revaluation of existing properties,
3 15 as reported by the assessors on the abstracts of assessment
3 16 for 1978, is increased in arriving at the 1979 dividend for
3 17 the other class of property. The divisor for each class of
3 18 property shall be the total actual value of all such property
3 19 in the state in the preceding year, as reported by the
3 20 assessors on the abstracts of assessment submitted for 1978,
3 21 plus the amount of value added to said total actual value by
3 22 the revaluation of existing properties in 1979 as equalized
3 23 by the director of revenue pursuant to section 441.49. The
3 24 director shall utilize information reported on abstracts of
3 25 assessment submitted pursuant to section 441.45 in determining
3 26 such percentage. For valuations established as of January 1,
3 27 1980, and each assessment year thereafter beginning before
3 28 January 1, 2012, the percentage of actual value as equalized
3 29 by the director of revenue as provided in section 441.49 at
3 30 which agricultural and residential property shall be assessed
3 31 shall be calculated in accordance with the methods provided
3 32 herein including the limitation of increases in agricultural
3 33 and residential assessed values to the percentage increase of
3 34 the other class of property if the other class increases less
3 35 than the allowable limit adjusted to include the applicable



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4 1 and current values as equalized by the director of revenue,
4 2 except that any references to six percent in this subsection
4 3 shall be four percent. For valuations established as of
4 4 January 1, 2012, and each assessment year thereafter, the
4 5 percentage of actual value as equalized by the director of
4 6 revenue as provided in section 441.49 at which agricultural
4 7 and residential property shall be assessed shall be calculated
4 8 in accordance with the methods provided herein including
4 9 the limitation of increases in agricultural and residential
4 10 assessed values to the percentage increase of the other
4 11 class of property if the other class increases less than the
4 12 allowable limit adjusted to include the applicable and current
4 13 values as equalized by the director of revenue, except that
4 14 any references to six percent in this subsection shall be two
4 15 percent.
4 16 Sec. 3. Section 441.21, subsection 5, Code 2011, is amended
4 17 to read as follows:
4 18 5. a. ~~For valuations established as of January 1, 1979,~~
— 4 19 ~~commercial property and industrial property, excluding~~
— 4 20 ~~properties referred to in section 427A.1, subsection 8, shall~~
— 4 21 ~~be assessed as a percentage of the actual value of each class~~
— 4 22 ~~of property. The percentage shall be determined for each~~
— 4 23 ~~class of property by the director of revenue for the state in~~
— 4 24 ~~accordance with the provisions of this section. For valuations~~
— 4 25 ~~established as of January 1, 1979, the percentage shall be~~
— 4 26 ~~the quotient of the dividend and divisor as defined in this~~
— 4 27 ~~section. The dividend for each class of property shall be the~~
— 4 28 ~~total actual valuation for each class of property established~~
— 4 29 ~~for 1978, plus six percent of the amount so determined. The~~
— 4 30 ~~divisor for each class of property shall be the valuation~~
— 4 31 ~~for each class of property established for 1978, as reported~~
— 4 32 ~~by the assessors on the abstracts of assessment for 1978,~~
— 4 33 ~~plus the amount of value added to the total actual value by~~
— 4 34 ~~the revaluation of existing properties in 1979 as equalized~~
— 4 35 ~~by the director of revenue pursuant to section 441.49. For~~



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5 1 valuations established as of January 1, 1979, property valued
5 2 by the department of revenue pursuant to chapters 428, 433,
5 3 437, and 438 shall be considered as one class of property and
5 4 shall be assessed as a percentage of its actual value. The
5 5 percentage shall be determined by the director of revenue in
5 6 accordance with the provisions of this section. For valuations
5 7 established as of January 1, 1979, the percentage shall be
5 8 the quotient of the dividend and divisor as defined in this
5 9 section. The dividend shall be the total actual valuation
5 10 established for 1978 by the department of revenue, plus ten
5 11 percent of the amount so determined. The divisor for property
5 12 valued by the department of revenue pursuant to chapters 428,
5 13 433, 437, and 438 shall be the valuation established for 1978,
5 14 plus the amount of value added to the total actual value by
5 15 the revaluation of the property by the department of revenue
5 16 as of January 1, 1979. ~~For valuations established as of~~
~~5 17 January 1, 1980, commercial property and industrial property,~~
~~5 18 excluding properties referred to in section 427A.1, subsection~~
~~5 19 8, shall be assessed at a percentage of the actual value of~~
~~5 20 each class of property. The percentage shall be determined~~
~~5 21 for each class of property by the director of revenue for the~~
~~5 22 state in accordance with the provisions of this section. For~~
~~5 23 valuations established as of January 1, 1980, the percentage~~
~~5 24 shall be the quotient of the dividend and divisor as defined in~~
~~5 25 this section. The dividend for each class of property shall~~
~~5 26 be the dividend as determined for each class of property for~~
~~5 27 valuations established as of January 1, 1979, adjusted by the~~
~~5 28 product obtained by multiplying the percentage determined~~
~~5 29 for that year by the amount of any additions or deletions to~~
~~5 30 actual value, excluding those resulting from the revaluation~~
~~5 31 of existing properties, as reported by the assessors on the~~
~~5 32 abstracts of assessment for 1979, plus four percent of the~~
~~5 33 amount so determined. The divisor for each class of property~~
~~5 34 shall be the total actual value of all such property in 1979,~~
~~5 35 as equalized by the director of revenue pursuant to section~~



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~~6 1 441.49, plus the amount of value added to the total actual~~
~~6 2 value by the revaluation of existing properties in 1980. The~~
~~6 3 director shall utilize information reported on the abstracts of~~
~~6 4 assessment submitted pursuant to section 441.45 in determining~~
~~6 5 such percentage. For valuations established as of January 1,~~
~~6 6 1980, property valued by the department of revenue pursuant~~
~~6 7 to chapters 428, 433, 437, and 438 shall be assessed at a~~
~~6 8 percentage of its actual value. The percentage shall be~~
~~6 9 determined by the director of revenue in accordance with the~~
~~6 10 provisions of this section. For valuations established as of~~
~~6 11 January 1, 1980, the percentage shall be the quotient of the~~
~~6 12 dividend and divisor as defined in this section. The dividend~~
~~6 13 shall be the total actual valuation established for 1979 by~~
~~6 14 the department of revenue, plus eight percent of the amount so~~
~~6 15 determined. The divisor for property valued by the department~~
~~6 16 of revenue pursuant to chapters 428, 433, 437, and 438 shall be~~
~~6 17 the valuation established for 1979, plus the amount of value~~
~~6 18 added to the total actual value by the revaluation of the~~
~~6 19 property by the department of revenue as of January 1, 1980.~~
~~6 20 For valuations established as of January 1, 1981, and each~~
~~6 21 year thereafter, the percentage of actual value as equalized~~
~~6 22 by the director of revenue as provided in section 441.49 at~~
~~6 23 which commercial property and industrial property, excluding~~
~~6 24 properties referred to in section 427A.1, subsection 8, shall~~
~~6 25 be assessed shall be calculated in accordance with the methods~~
~~6 26 provided herein, except that any references to six percent~~
~~6 27 in this subsection shall be four percent. For valuations~~
~~6 28 established as of January 1, 1981, and each year thereafter,~~
~~6 29 the percentage of actual value at which property valued by~~
~~6 30 the department of revenue pursuant to chapters 428, 433, 437,~~
~~6 31 and 438 shall be assessed shall be calculated in accordance~~
~~6 32 with the methods provided herein, except that any references~~
~~6 33 to ten percent in this subsection shall be eight percent.~~
~~6 34 Beginning with valuations established as of January 1, 1979,~~
~~6 35 and each year thereafter, property valued by the department of~~



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7 1 revenue pursuant to chapter 434 shall also be assessed at a
7 2 percentage of its actual value which percentage shall be equal
7 3 to the percentage determined by the director of revenue for
7 4 ~~commercial property, industrial property, or property valued by~~
7 5 the department of revenue pursuant to chapters 428, 433, 437,
7 6 and 438, ~~whichever is lowest.~~

7 7 b. For valuations established on or after January 1, 2012,
7 8 commercial property, excluding properties referred to in
7 9 section 427A.1, subsection 8, shall be assessed as a percentage
7 10 of the actual value, as determined in this paragraph.

7 11 (1) For valuations established for the assessment year
7 12 beginning January 1, 2012, the percentage of actual value as
7 13 equalized by the director of revenue as provided in section
7 14 441.49 at which commercial property shall be assessed shall be
7 15 ninety=two percent.

7 16 (2) For valuations established for the assessment year
7 17 beginning January 1, 2013, the percentage of actual value as
7 18 equalized by the director of revenue as provided in section
7 19 441.49 at which commercial property shall be assessed shall be
7 20 eighty=four percent.

7 21 (3) For valuations established for the assessment year
7 22 beginning January 1, 2014, the percentage of actual value as
7 23 equalized by the director of revenue as provided in section
7 24 441.49 at which commercial property shall be assessed shall be
7 25 seventy=six percent.

7 26 (4) For valuations established for the assessment year
7 27 beginning January 1, 2015, the percentage of actual value as
7 28 equalized by the director of revenue as provided in section
7 29 441.49 at which commercial property shall be assessed shall be
7 30 sixty=eight percent.

7 31 (5) For valuations established for the assessment year
7 32 beginning January 1, 2016, and each assessment year thereafter,
7 33 the percentage of actual value as equalized by the director
7 34 of revenue as provided in section 441.49 at which commercial
7 35 property shall be assessed shall be sixty percent.



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8 1 c. For valuations established on or after January 1, 2012,
8 2 industrial property, excluding properties referred to in
8 3 section 427A.1, subsection 8, shall be assessed as a percentage
8 4 of the actual value, as determined in this paragraph.

8 5 (1) For valuations established for the assessment year
8 6 beginning January 1, 2012, the percentage of actual value as
8 7 equalized by the director of revenue as provided in section
8 8 441.49 at which industrial property shall be assessed shall be
8 9 ninety=two percent.

8 10 (2) For valuations established for the assessment year
8 11 beginning January 1, 2013, the percentage of actual value as
8 12 equalized by the director of revenue as provided in section
8 13 441.49 at which industrial property shall be assessed shall be
8 14 eighty=four percent.

8 15 (3) For valuations established for the assessment year
8 16 beginning January 1, 2014, the percentage of actual value as
8 17 equalized by the director of revenue as provided in section
8 18 441.49 at which industrial property shall be assessed shall be
8 19 seventy=six percent.

8 20 (4) For valuations established for the assessment year
8 21 beginning January 1, 2015, the percentage of actual value as
8 22 equalized by the director of revenue as provided in section
8 23 441.49 at which industrial property shall be assessed shall be
8 24 sixty=eight percent.

8 25 (5) For valuations established for the assessment year
8 26 beginning January 1, 2016, and each assessment year thereafter,
8 27 the percentage of actual value as equalized by the director
8 28 of revenue as provided in section 441.49 at which industrial
8 29 property shall be assessed shall be sixty percent.

8 30 Sec. 4. NEW SECTION. 441.21A Legislative intent.

8 31 It is the intent of the general assembly that appropriations
8 32 be made annually to reimburse local taxing authorities in this
8 33 state for reductions in property tax collections on commercial
8 34 and industrial property as a result of the assessment
8 35 limitations on such property established under section 441.21,



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9 1 subsection 5, paragraphs "b" and "c", in the following amounts:
9 2 1. For the fiscal year beginning July 1, 2013, fifty million
9 3 dollars.
9 4 2. For the fiscal year beginning July 1, 2014, one hundred
9 5 million dollars.
9 6 3. For the fiscal year beginning July 1, 2015, one hundred
9 7 fifty million dollars.
9 8 4. For the fiscal year beginning July 1, 2016, two hundred
9 9 million dollars.
9 10 5. For the fiscal year beginning July 1, 2017, and each
9 11 fiscal year thereafter, two hundred fifty million dollars.
9 12 Sec. 5. SAVINGS PROVISION. This division of this Act,
9 13 pursuant to section 4.13, does not affect the operation of,
9 14 or prohibit the application of, prior provisions of section
9 15 441.21, or rules adopted under chapter 17A to administer prior
9 16 provisions of section 441.21, for assessment years beginning
9 17 before January 1, 2012, and for duties, powers, protests,
9 18 appeals, proceedings, actions, or remedies attributable to an
9 19 assessment year beginning before January 1, 2012.
9 20 Sec. 6. APPLICABILITY. This division of this Act applies
9 21 to property tax assessment years beginning on or after January
9 22 1, 2012.

9 23 DIVISION III

9 24 COUNTY AND CITY BUDGET LIMITATION

9 25 Sec. 7. Section 23A.2, subsection 10, paragraph h, Code
9 26 2011, is amended to read as follows:
9 27 h. The performance of an activity listed in section 331.424,
9 28 Code 2011, as a service for which a supplemental levy county
9 29 may be certified include in its budget.
9 30 Sec. 8. Section 28M.5, subsection 2, Code 2011, is amended
9 31 to read as follows:
9 32 2. If a regional transit district budget allocates
9 33 revenue responsibilities to the board of supervisors of a
9 34 participating county, the amount of the regional transit
9 35 district levy that is the responsibility of the participating



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10 1 county shall be deducted from the maximum ~~rates~~ amount of taxes
10 2 authorized to be levied by the county pursuant to section
10 3 331.423, ~~subsections 1 and 2~~ subsection 3, paragraphs "b"
10 4 and "c", as applicable, unless the county meets its revenue
10 5 responsibilities as allocated in the budget from other
10 6 available revenue sources. However, for a regional transit
10 7 district that includes a county with a population of less than
10 8 three hundred thousand, the amount of the regional transit
10 9 district levy that is the responsibility of such participating
10 10 county shall be deducted from the maximum ~~rate~~ amount of taxes
10 11 authorized to be levied by the county pursuant to section
10 12 331.423, subsection 4 3, paragraph "b".

10 13 Sec. 9. Section 123.38, subsection 2, Code 2011, is amended
10 14 to read as follows:

10 15 2. Any licensee or permittee, or the licensee's or
10 16 permittee's executor or administrator, or any person duly
10 17 appointed by the court to take charge of and administer the
10 18 property or assets of the licensee or permittee for the benefit
10 19 of the licensee's or permittee's creditors, may voluntarily
10 20 surrender a license or permit to the division. When a license
10 21 or permit is surrendered the division shall notify the local
10 22 authority, and the division or the local authority shall
10 23 refund to the person surrendering the license or permit, a
10 24 proportionate amount of the fee received by the division or
10 25 the local authority for the license or permit as follows: if
10 26 a license or permit is surrendered during the first three
10 27 months of the period for which it was issued, the refund shall
10 28 be three-fourths of the amount of the fee; if surrendered
10 29 more than three months but not more than six months after
10 30 issuance, the refund shall be one-half of the amount of the
10 31 fee; if surrendered more than six months but not more than
10 32 nine months after issuance, the refund shall be one-fourth of
10 33 the amount of the fee. No refund shall be made, however, for
10 34 any special liquor permit, nor for a liquor control license,
10 35 wine permit, or beer permit surrendered more than nine months



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11 1 after issuance. For purposes of this subsection, any portion
11 2 of license or permit fees used for the purposes authorized in
11 3 section 331.424, subsection 1, paragraph "a", subparagraphs
11 4 (1) and (2), Code 2011, and in section 331.424A, shall not be
11 5 deemed received either by the division or by a local authority.
11 6 No refund shall be made to any licensee or permittee, upon the
11 7 surrender of the license or permit, if there is at the time
11 8 of surrender, a complaint filed with the division or local
11 9 authority, charging the licensee or permittee with a violation
11 10 of this chapter. If upon a hearing on a complaint the license
11 11 or permit is not revoked or suspended, then the licensee or
11 12 permittee is eligible, upon surrender of the license or permit,
11 13 to receive a refund as provided in this section; but if the
11 14 license or permit is revoked or suspended upon hearing the
11 15 licensee or permittee is not eligible for the refund of any
11 16 portion of the license or permit fee.

11 17 Sec. 10. Section 218.99, Code 2011, is amended to read as
11 18 follows:

11 19 218.99 Counties to be notified of patients' personal
11 20 accounts.

11 21 The administrator in control of a state institution shall
11 22 direct the business manager of each institution under the
11 23 administrator's jurisdiction ~~which is mentioned in section~~
~~11 24 331.424, subsection 1, paragraph "a", subparagraphs (1)~~
~~11 25 and (2), and for which services are paid under section~~
11 26 331.424A, to quarterly inform the county of legal settlement's
11 27 entity designated to perform the county's central point of
11 28 coordination process of any patient or resident who has an
11 29 amount in excess of two hundred dollars on account in the
11 30 patients' personal deposit fund and the amount on deposit. The
11 31 administrators shall direct the business manager to further
11 32 notify the entity designated to perform the county's central
11 33 point of coordination process at least fifteen days before the
11 34 release of funds in excess of two hundred dollars or upon the
11 35 death of the patient or resident. If the patient or resident



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12 1 has no county of legal settlement, notice shall be made to the
12 2 director of human services and the administrator in control of
12 3 the institution involved.

12 4 Sec. 11. Section 331.263, subsection 2, Code 2011, is
12 5 amended to read as follows:

12 6 2. The governing body of the community commonwealth
12 7 shall have the authority to levy county taxes and shall
12 8 have the authority to levy city taxes to the extent the
12 9 city tax levy authority is transferred by the charter to
12 10 the community commonwealth. A city participating in the
12 11 community commonwealth shall transfer a portion of the
12 12 city's tax levy authorized under section 384.1 or 384.12,
12 13 whichever is applicable, to the governing body of the community
12 14 commonwealth. The maximum ~~rates~~ amount of taxes authorized to
12 15 be levied under ~~sections~~ section 384.1 and the maximum amount
12 16 of taxes authorized to be levied under section 384.12 by a city
12 17 participating in the community commonwealth shall be reduced
12 18 by an amount equal to the rates of the same or similar taxes
12 19 levied in the city by the governing body of the community
12 20 commonwealth.

12 21 Sec. 12. Section 331.301, subsection 12, Code 2011, is
12 22 amended to read as follows:

12 23 12. The board of supervisors may credit funds to a reserve
12 24 for the purposes authorized by subsection 11 of this section;
~~12 25 section 331.424, subsection 1, paragraph "a", subparagraph~~
~~12 26 (6);~~ and section 331.441, subsection 2, paragraph "b". Moneys
12 27 credited to the reserve, and interest earned on such moneys,
12 28 shall remain in the reserve until expended for purposes
12 29 authorized by subsection 11 of this section; ~~section 331.424,~~
~~12 30 subsection 1, paragraph "a", subparagraph (6);~~ or section
12 31 331.441, subsection 2, paragraph "b".

12 32 Sec. 13. Section 331.421, subsections 1 and 10, Code 2011,
12 33 are amended by striking the subsections.

12 34 Sec. 14. Section 331.421, Code 2011, is amended by adding
12 35 the following new subsection:



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13 1 NEW SUBSECTION. 7A. "Item" means a budgeted expenditure,
13 2 appropriation, or cash reserve from a fund for a service area,
13 3 program, program element, or purpose.
13 4 Sec. 15. Section 331.423, Code 2011, is amended by striking
13 5 the section and inserting in lieu thereof the following:
13 6 331.423 Property tax dollars ==== maximums.
13 7 1. Annually, the board shall determine separate property
13 8 tax levy limits to pay for general county services and rural
13 9 county services in accordance with this section. The property
13 10 tax levies separately certified for general county services and
13 11 rural county services under section 331.434 shall not raise
13 12 property tax dollars that exceed the amount determined under
13 13 this section.
13 14 2. For purposes of this section and section 331.423B, unless
13 15 the context otherwise requires:
13 16 a. "Annual growth factor" means an index, expressed as
13 17 a percentage, determined by the department of management by
13 18 January 1 of the calendar year in which the budget year begins.
13 19 In determining the annual growth factor, the department shall
13 20 calculate the average of the preceding twelve=month percentage
13 21 change, which shall be computed on a monthly basis, in the
13 22 midwest consumer price index. In no case, however, shall the
13 23 annual growth factor exceed four percent.
13 24 b. "Boundary adjustment" means annexation, severance,
13 25 incorporation, or discontinuance as those terms are defined in
13 26 section 368.1.
13 27 c. "Budget year" is the fiscal year beginning during the
13 28 calendar year in which a budget is certified.
13 29 d. "Current fiscal year" is the fiscal year ending during
13 30 the calendar year in which a budget is certified.
13 31 e. "Net new valuation taxes" means the amount of property
13 32 tax dollars equal to the current fiscal year's levy rate in
13 33 the county for general county services or for rural county
13 34 services, as applicable, multiplied by the increase from the
13 35 current fiscal year to the budget year in taxable valuation due



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14 1 to the following:

14 2 (1) Net new construction, excluding all incremental
14 3 valuation that is released in any one year from an urban
14 4 renewal area for which taxes were being divided under section
14 5 403.19 if the property for the valuation being released remains
14 6 part of the urban renewal area.

14 7 (2) Additions or improvements to existing structures.

14 8 (3) Remodeling of existing structures for which a building
14 9 permit is required.

14 10 (4) Net boundary adjustment.

14 11 (5) A municipality no longer dividing tax revenues in
14 12 an urban renewal area as provided in section 403.19, to the
14 13 extent that the incremental valuation released is due to new
14 14 construction or revaluation on property newly constructed,
14 15 additions or improvements to existing property, net boundary
14 16 adjustment, or expiration of tax abatements, all occurring
14 17 after the division of revenue begins.

14 18 (6) That portion of taxable property located in an urban
14 19 revitalization area on which an exemption was allowed and such
14 20 exemption has expired.

14 21 3. a. For the fiscal year beginning July 1, 2012, and
14 22 subsequent fiscal years, the maximum amount of property tax
14 23 dollars which may be certified for levy by a county for general
14 24 county services and rural county services shall be the maximum
14 25 property tax dollars calculated under paragraphs "b" and "c",
14 26 respectively.

14 27 b. The maximum property tax dollars that may be levied for
14 28 general county services is an amount equal to the sum of the
14 29 following:

14 30 (1) The annual growth factor times the current fiscal year's
14 31 maximum property tax dollars for general county services.

14 32 (2) The amount of net new valuation taxes in the county.

14 33 c. The maximum property tax dollars that may be levied for
14 34 rural county services is an amount equal to the sum of the
14 35 following:



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15 1 (1) The annual growth factor times the current fiscal year's
15 2 maximum property tax dollars for rural county services.

15 3 (2) The amount of net new valuation taxes in the
15 4 unincorporated area of the county.

15 5 4. a. For purposes of calculating maximum property tax
15 6 dollars for general county services for the fiscal year
15 7 beginning July 1, 2012, only, the term "current fiscal year's
15 8 maximum property tax dollars" shall mean the total amount of
15 9 property tax dollars certified by the county for general county
15 10 services for the fiscal year beginning July 1, 2011.

15 11 b. For purposes of calculating maximum property tax dollars
15 12 for rural county services for the fiscal year beginning July
15 13 1, 2012, only, the term "current fiscal year's maximum property
15 14 tax dollars" shall mean the total amount of property tax dollars
15 15 certified by the county for rural county services for the
15 16 fiscal year beginning July 1, 2011.

15 17 5. Property taxes certified for deposit in the mental
15 18 health, mental retardation, and developmental disabilities
15 19 services fund in section 331.424A, the emergency services fund
15 20 in section 331.424C, the debt service fund in section 331.430,
15 21 any capital projects fund established by the county for deposit
15 22 of bond, loan, or note proceeds, and any temporary increase
15 23 approved pursuant to section 331.424, are not included in the
15 24 maximum amount of property tax dollars that may be certified
15 25 for a budget year under subsection 3.

15 26 6. The department of management, in consultation with the
15 27 county finance committee, shall adopt rules to administer this
15 28 section. The department shall prescribe forms to be used by
15 29 counties when making calculations required by this section.

15 30 Sec. 16. NEW SECTION. 331.423B Ending fund balance.

15 31 1. a. Budgeted ending fund balances on a cash basis for
15 32 a budget year in excess of twenty=five percent of budgeted
15 33 expenditures in either the general fund or rural services
15 34 fund for that budget year shall be explicitly reserved or
15 35 designated for a specific purpose and specifically described



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16 1 in the certified budget. The description shall include the
16 2 projected date that the expenditures will be appropriated for
16 3 the specific purpose.

16 4 b. A county is encouraged, but not required, to reduce
16 5 budgeted, unreserved, or undesignated ending fund balances for
16 6 the budget year to an amount equal to approximately twenty=five
16 7 percent of budgeted expenditures in the general fund and
16 8 rural services fund for that budget year unless a decision is
16 9 certified by the state appeal board ordering a reduction in the
16 10 ending fund balance of any of those funds.

16 11 c. In a protest to the county budget under section 331.436,
16 12 the county shall have the burden of proving that the budgeted
16 13 balances in excess of twenty=five percent are reasonably likely
16 14 to be appropriated for the explicitly reserved or designated
16 15 specific purpose by the date identified in the certified
16 16 budget. The excess budgeted balance for the specific purpose
16 17 shall be considered an increase in an item in the budget for
16 18 purposes of section 24.28.

16 19 2. a. For a county that has, as of June 30, 2011, reduced
16 20 its actual ending fund balance to less than twenty=five
16 21 percent of actual expenditures on a cash basis, additional
16 22 property taxes may be computed and levied as provided in this
16 23 subsection. The additional property tax levy amount is an
16 24 amount not to exceed twenty=five percent of actual expenditures
16 25 from the general fund and rural services fund for the fiscal
16 26 year beginning July 1, 2010, minus the combined ending fund
16 27 balances for those funds for that year.

16 28 b. The amount of the additional property taxes shall be
16 29 apportioned between the general fund and the rural services
16 30 fund. However, the amount apportioned for general county
16 31 services and for rural county services shall not exceed for
16 32 each fund twenty=five percent of actual expenditures for the
16 33 fiscal year beginning July 1, 2010.

16 34 c. All or a portion of additional property tax dollars
16 35 may be levied for the purpose of increasing cash reserves



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17 1 for general county services and rural county services in the
17 2 budget year. The additional property tax dollars authorized
17 3 under this subsection but not levied may be carried forward as
17 4 unused ending fund balance taxing authority until and for the
17 5 fiscal year beginning July 1, 2017. The amount carried forward
17 6 shall not exceed twenty=five percent of the maximum amount of
17 7 property tax dollars available in the current fiscal year.
17 8 Additionally, property taxes that are levied as unused ending
17 9 fund balance taxing authority under this subsection may be the
17 10 subject of a protest under section 331.436, and the amount
17 11 will be considered an increase in an item in the budget for
17 12 purposes of section 24.28. The amount of additional property
17 13 taxes levied under this subsection shall not be included in the
17 14 computation of the maximum amount of property tax dollars which
17 15 may be certified and levied under section 331.423.

17 16 Sec. 17. Section 331.424, Code 2011, is amended by striking
17 17 the section and inserting in lieu thereof the following:

17 18 331.424 Authority to levy beyond maximum property tax
17 19 dollars.

17 20 1. The board may certify additions to the maximum amount
17 21 of property tax dollars to be levied for a period of time not
17 22 to exceed two years if the proposition has been submitted at a
17 23 special election and received a favorable majority of the votes
17 24 cast on the proposition.

17 25 2. The special election is subject to the following:

17 26 a. The board must give at least thirty=two days' notice to
17 27 the county commissioner of elections that the special election
17 28 is to be held.

17 29 b. The special election shall be conducted by the county
17 30 commissioner of elections in accordance with law.

17 31 c. The proposition to be submitted shall be substantially
17 32 in the following form:

17 33 Vote "yes" or "no" on the following: Shall the county of
17 34 _____ levy for an additional \$_____ each year for ____ years
17 35 beginning July 1, _____, in excess of the statutory limits



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18 1 otherwise applicable for the (general county services or rural
18 2 services) fund?
18 3 d. The canvass shall be held beginning at 1:00 p.m. on
18 4 the second day which is not a holiday following the special
18 5 election.
18 6 e. Notice of the special election shall be published at
18 7 least once in a newspaper as specified in section 331.305 prior
18 8 to the date of the special election. The notice shall appear
18 9 as early as practicable after the board has voted to submit
18 10 a proposition to the voters to levy additional property tax
18 11 dollars.
18 12 3. Registered voters in the county may vote on the
18 13 proposition to increase property taxes for the general fund
18 14 in excess of the statutory limit. Registered voters residing
18 15 outside the corporate limits of a city within the county may
18 16 vote on the proposition to increase property taxes for the
18 17 rural services fund in excess of the statutory limit.
18 18 4. The amount of additional property tax dollars certified
18 19 under this section shall not be included in the computation
18 20 of the maximum amount of property tax dollars which may be
18 21 certified and levied under section 331.423.
18 22 Sec. 18. Section 331.424A, subsection 4, Code 2011, is
18 23 amended to read as follows:
18 24 4. For the fiscal year beginning July 1, 1996, and for each
18 25 subsequent fiscal year, the county shall certify a levy for
18 26 payment of services. For each fiscal year, county revenues
18 27 from taxes imposed by the county credited to the services fund
18 28 shall not exceed an amount equal to the amount of base year
18 29 expenditures for services as defined in section 331.438, less
18 30 the amount of property tax relief to be received pursuant to
18 31 section 426B.2, in the fiscal year for which the budget is
18 32 certified. The county auditor and the board of supervisors
18 33 shall reduce the amount of the levy certified for the services
18 34 fund by the amount of property tax relief to be received. A
18 35 levy certified under this section is not subject to ~~the appeal~~



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~~19 1 provisions of section 331.426 or to any other provision in law~~
19 2 authorizing a county to exceed, increase, or appeal a property
19 3 tax levy limit.
19 4 Sec. 19. Section 331.427, subsection 3, paragraph 1, Code
19 5 2011, is amended to read as follows:
19 6 1. Services listed in section 331.424, subsection 1, Code
19 7 2011, and section 331.554.
19 8 Sec. 20. Section 331.428, subsection 2, paragraph d, Code
19 9 2011, is amended to read as follows:
19 10 d. Services listed under section 331.424, subsection 2, Code
19 11 2011.
19 12 Sec. 21. Section 373.10, Code 2011, is amended to read as
19 13 follows:
19 14 373.10 Taxing authority.
19 15 The metropolitan council shall have the authority to
19 16 levy city taxes to the extent the city tax levy authority
19 17 is transferred by the charter to the metropolitan council.
19 18 A member city shall transfer a portion of the city's tax
19 19 levy authorized under section 384.1 or 384.12, whichever is
19 20 applicable, to the metropolitan council. The maximum ~~rates~~
~~19 21 amount~~ of taxes authorized to be levied under ~~sections~~ section
19 22 384.1 and the taxes authorized to be levied under section
19 23 384.12 by a member city shall be reduced by an amount equal to
19 24 the rates of the same or similar taxes levied in the city by the
19 25 metropolitan council.
19 26 Sec. 22. Section 384.1, Code 2011, is amended by striking
19 27 the section and inserting in lieu thereof the following:
19 28 384.1 Property tax dollars ==== maximums.
19 29 1. A city shall certify taxes to be levied by the city
19 30 on all taxable property within the city limits, for all city
19 31 government purposes. Annually, the city council may certify
19 32 basic levies for city government purposes, subject to the
19 33 limitation on property tax dollars provided in this section.
19 34 2. For purposes of this section and section 384.1B, unless
19 35 the context otherwise requires:



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20 1 a. "Annual growth factor" means an index, expressed as
20 2 a percentage, determined by the department of management by
20 3 January 1 of the calendar year in which the budget year begins.
20 4 In determining the annual growth factor, the department shall
20 5 calculate the average of the preceding twelve-month percentage
20 6 change, which shall be computed on a monthly basis, in the
20 7 midwest consumer price index. In no case, however, shall the
20 8 annual growth factor exceed four percent.

20 9 b. "Boundary adjustment" means annexation, severance,
20 10 incorporation, or discontinuance as those terms are defined in
20 11 section 368.1.

20 12 c. "Budget year" is the fiscal year beginning during the
20 13 calendar year in which a budget is certified.

20 14 d. "Current fiscal year" is the fiscal year ending during
20 15 the calendar year in which a budget is certified.

20 16 e. "Net new valuation taxes" means the amount of property
20 17 tax dollars equal to the current fiscal year's levy rate in the
20 18 city for the general fund multiplied by the increase from the
20 19 current fiscal year to the budget year in taxable valuation due
20 20 to the following:

20 21 (1) Net new construction, excluding all incremental
20 22 valuation that is released in any one year from an urban
20 23 renewal area for which taxes were being divided under section
20 24 403.19 if the property for the valuation being released remains
20 25 part of the urban renewal area.

20 26 (2) Additions or improvements to existing structures.

20 27 (3) Remodeling of existing structures for which a building
20 28 permit is required.

20 29 (4) Net boundary adjustment.

20 30 (5) A municipality no longer dividing tax revenues in
20 31 an urban renewal area as provided in section 403.19, to the
20 32 extent that the incremental valuation released is due to new
20 33 construction or revaluation on property newly constructed,
20 34 additions or improvements to existing property, net boundary
20 35 adjustment, or expiration of tax abatements, all occurring



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21 1 after the division of revenue begins.
21 2 (6) That portion of taxable property located in an urban
21 3 revitalization area on which an exemption was allowed and such
21 4 exemption has expired.
21 5 3. a. For the fiscal year beginning July 1, 2012, and
21 6 subsequent fiscal years, the maximum amount of property
21 7 tax dollars which may be certified for levy by a city for
21 8 the general fund shall be the maximum property tax dollars
21 9 calculated under paragraph "b".
21 10 b. The maximum property tax dollars that may be levied for
21 11 deposit in the general fund is an amount equal to the sum of the
21 12 following:
21 13 (1) The annual growth factor times the current fiscal year's
21 14 maximum property tax dollars for the general fund.
21 15 (2) The amount of net new valuation taxes in the city.
21 16 4. For purposes of calculating maximum property tax dollars
21 17 for the city general fund for the fiscal year beginning July
21 18 1, 2012, only, the term "current fiscal year's maximum property
21 19 tax dollars" shall mean the total amount of property tax dollars
21 20 certified by the city for the city's general fund for the
21 21 fiscal year beginning July 1, 2011.
21 22 5. Property taxes certified for deposit in the debt service
21 23 fund in section 384.4, trust and agency funds in section
21 24 384.6, capital improvements reserve fund in section 384.7,
21 25 the emergency fund in section 384.8, any capital projects
21 26 fund established by the city for deposit of bond, loan, or
21 27 note proceeds, any temporary increase approved pursuant to
21 28 section 384.12A, property taxes collected from a voted levy in
21 29 section 384.12, and property taxes levied under section 384.12,
21 30 subsection 18, are not counted against the maximum amount of
21 31 property tax dollars that may be certified for a fiscal year
21 32 under subsection 3.
21 33 6. Notwithstanding the maximum amount of taxes a city
21 34 may certify for levy, the tax levied by a city on tracts of
21 35 land and improvements on the tracts of land used and assessed



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22 1 for agricultural or horticultural purposes shall not exceed
22 2 three dollars and three=eighths cents per thousand dollars
22 3 of assessed value in any year. Improvements located on such
22 4 tracts of land and not used for agricultural or horticultural
22 5 purposes and all residential dwellings are subject to the same
22 6 rate of tax levied by the city on all other taxable property
22 7 within the city.
22 8 7. The department of management, in consultation with the
22 9 city finance committee, shall adopt rules to administer this
22 10 section. The department shall prescribe forms to be used by
22 11 cities when making calculations required by this section.
22 12 Sec. 23. NEW SECTION. 384.1B Ending fund balance.
22 13 1. a. Budgeted ending fund balances on a cash basis for
22 14 a budget year in excess of twenty=five percent of budgeted
22 15 expenditures for that budget year shall be explicitly reserved
22 16 or designated for a specific purpose and specifically described
22 17 in the certified budget. The description shall include the
22 18 projected date that the expenditures will be appropriated for
22 19 the specific purpose.
22 20 b. A city is encouraged, but not required, to reduce
22 21 budgeted, unreserved, or undesignated ending fund balances for
22 22 the budget year to an amount equal to approximately twenty=five
22 23 percent of budgeted expenditures in the general fund for that
22 24 budget year unless a decision is certified by the state appeal
22 25 board ordering a reduction in the ending fund balance of the
22 26 fund.
22 27 c. In a protest to the city budget under section 384.19,
22 28 the city shall have the burden of proving that the budgeted
22 29 balances in excess of twenty=five percent are reasonably likely
22 30 to be appropriated for the explicitly reserved or designated
22 31 specific purpose by the date identified in the certified
22 32 budget. The excess budgeted balance for the specific purpose
22 33 shall be considered an increase in an item in the budget for
22 34 purposes of section 24.28.
22 35 2. a. For a city that has, as of June 30, 2011, reduced



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23 1 its ending fund balance to less than twenty=five percent of
23 2 actual expenditures on a cash basis, additional property taxes
23 3 may be computed and levied as provided in this subsection.
23 4 The additional property tax levy amount is an amount not to
23 5 exceed the difference between twenty=five percent of actual
23 6 expenditures for city government purposes for the fiscal year
23 7 beginning July 1, 2010, minus the ending fund balance for that
23 8 year.

23 9 b. All or a portion of additional property tax dollars
23 10 may be levied for the purpose of increasing cash reserves for
23 11 city government purposes in the budget year. The additional
23 12 property tax dollars authorized under this subsection but not
23 13 levied may be carried forward as unused ending fund balance
23 14 taxing authority until and for the fiscal year beginning
23 15 July 1, 2017. The amount carried forward shall not exceed
23 16 twenty=five percent of the maximum amount of property tax
23 17 dollars available in the current fiscal year. Additionally,
23 18 property taxes that are levied as unused ending fund balance
23 19 taxing authority under this subsection may be the subject of a
23 20 protest under section 384.19, and the amount will be considered
23 21 an increase in an item in the budget for purposes of section
23 22 24.28. The amount of additional property tax dollars levied
23 23 under this subsection shall not be included in the computation
23 24 of the maximum amount of property tax dollars which may be
23 25 certified and levied under section 384.1.

23 26 Sec. 24. Section 384.12, subsection 20, Code 2011, is
23 27 amended by striking the subsection.

23 28 Sec. 25. NEW SECTION. 384.12A Authority to levy beyond
23 29 maximum property tax dollars.

23 30 1. The city council may certify additions to the maximum
23 31 amount of property tax dollars to be levied for a period of
23 32 time not to exceed two years if the proposition has been
23 33 submitted at a special election and received a favorable
23 34 majority of the votes cast on the proposition.

23 35 2. The special election is subject to the following:



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24 1 a. The city council must give at least thirty-two days'
24 2 notice to the county commissioner of elections that the special
24 3 election is to be held.

24 4 b. The special election shall be conducted by the county
24 5 commissioner of elections in accordance with law.

24 6 c. The proposition to be submitted shall be substantially
24 7 in the following form:

24 8 Vote "yes" or "no" on the following: Shall the city of
24 9 _____ levy for an additional \$_____ each year for ____ years
24 10 beginning next July 1, ____, in excess of the statutory limits
24 11 otherwise applicable for the city general fund?

24 12 d. The canvass shall be held beginning at 1:00 p.m. on
24 13 the second day which is not a holiday following the special
24 14 election.

24 15 e. Notice of the special election shall be published at
24 16 least once in a newspaper as specified in section 362.3 prior
24 17 to the date of the special election. The notice shall appear
24 18 as early as practicable after the city council has voted to
24 19 submit a proposition to the voters to levy additional property
24 20 tax dollars.

24 21 3. The amount of additional property tax dollars certified
24 22 under this section shall not be included in the computation
24 23 of the maximum amount of property tax dollars which may be
24 24 certified and levied under section 384.1.

24 25 Sec. 26. Section 384.19, Code 2011, is amended by adding the
24 26 following new unnumbered paragraph:

24 27 NEW UNNUMBERED PARAGRAPH For purposes of a tax protest
24 28 filed under this section, "item" means a budgeted expenditure,
24 29 appropriation, or cash reserve from a fund for a service area,
24 30 program, program element, or purpose.

24 31 Sec. 27. Section 386.8, Code 2011, is amended to read as
24 32 follows:

24 33 386.8 Operation tax.

24 34 A city may establish a self-supported improvement district
24 35 operation fund, and may certify taxes not to exceed the



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25 1 rate limitation as established in the ordinance creating the
25 2 district, or any amendment thereto, each year to be levied
25 3 for the fund against all of the property in the district,
25 4 for the purpose of paying the administrative expenses of
25 5 the district, which may include but are not limited to
25 6 administrative personnel salaries, a separate administrative
25 7 office, planning costs including consultation fees, engineering
25 8 fees, architectural fees, and legal fees and all other expenses
25 9 reasonably associated with the administration of the district
25 10 and the fulfilling of the purposes of the district. The taxes
25 11 levied for this fund may also be used for the purpose of paying
25 12 maintenance expenses of improvements or self=liquidating
25 13 improvements for a specified length of time with one or more
25 14 options to renew if such is clearly stated in the petition
25 15 which requests the council to authorize construction of the
25 16 improvement or self=liquidating improvement, whether or not
25 17 such petition is combined with the petition requesting creation
25 18 of a district. Parcels of property which are assessed as
25 19 residential property for property tax purposes are exempt from
25 20 the tax levied under this section except residential properties
25 21 within a duly designated historic district. A tax levied under
25 22 this section is not subject to the ~~levy~~ limitation in section
25 23 384.1.

25 24 Sec. 28. Section 386.9, Code 2011, is amended to read as
25 25 follows:

25 26 386.9 Capital improvement tax.

25 27 A city may establish a capital improvement fund for a
25 28 district and may certify taxes, not to exceed the rate
25 29 established by the ordinance creating the district, or any
25 30 subsequent amendment thereto, each year to be levied for
25 31 the fund against all of the property in the district, for
25 32 the purpose of accumulating moneys for the financing or
25 33 payment of a part or all of the costs of any improvement or
25 34 self=liquidating improvement. However, parcels of property
25 35 which are assessed as residential property for property tax



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26 1 purposes are exempt from the tax levied under this section
26 2 except residential properties within a duly designated historic
26 3 district. A tax levied under this section is not subject to
26 4 the ~~levy~~ limitations in section 384.1 or 384.7.

26 5 Sec. 29. REPEAL. Sections 331.425 and 331.426, Code 2011,
26 6 are repealed.

26 7 Sec. 30. APPLICABILITY. This division of this Act applies
26 8 to fiscal years beginning on or after July 1, 2012.

26 9 EXPLANATION

26 10 This bill makes changes to state and local government
26 11 finances by making changes to property taxation, school
26 12 financing, and county and city budgets.

26 13 Division I of the bill provides for an increase in the
26 14 regular program foundation base under the state school
26 15 foundation program. The foundation base is the specified
26 16 percentage of the state cost per pupil calculation which is
26 17 paid as state aid to school districts, above and beyond the
26 18 uniform property tax levy imposed in Code section 257.3.
26 19 Beginning with the budget year commencing July 1, 2012, the
26 20 increase is phased in over a seven-year period in equal annual
26 21 increments, from the current foundation base level of 87.5
26 22 percent to the level of 100 percent in the eighth year.

26 23 Division II of the bill changes the property tax assessment
26 24 limitation percentage for residential property and agricultural
26 25 property from 4 percent to 2 percent for assessment years
26 26 beginning on or after January 1, 2012.

26 27 Division II of the bill strikes the methodology in Code
26 28 section 441.21(5) currently used to determine the percentage
26 29 of actual value at which commercial property and industrial
26 30 property are assessed for property tax purposes. The bill
26 31 provides that for valuations established for the assessment
26 32 year beginning January 1, 2012, the percentage of actual value
26 33 at which commercial property and industrial property shall
26 34 be assessed shall be 92 percent. The bill provides that
26 35 for each assessment year thereafter the percentage at which



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27 1 commercial property and industrial property are assessed is
27 2 reduced by 8 percentage points each year until the percentage
27 3 is 60 percent. The bill provides that for the assessment year
27 4 beginning January 1, 2016, and each assessment year thereafter,
27 5 commercial property and industrial property are assessed at 60
27 6 percent. Under the bill, commercial property and industrial
27 7 property remain separate classifications of property.

27 8 Division II of the bill specifies that it is the intent of
27 9 the general assembly that appropriations be made annually in
27 10 fiscal years beginning on or after July 1, 2013, to reimburse
27 11 local taxing authorities for reductions in property tax
27 12 collections on commercial and industrial property as a result
27 13 of the assessment limitations on such property established
27 14 in the bill. The bill specifies the amounts of the intended
27 15 appropriations.

27 16 Division II of the bill also makes corresponding changes to
27 17 other provisions of Code section 441.21, including removing
27 18 the commercial property and industrial property valuation
27 19 limitations from the methodology used to determine the
27 20 percentage at which property valued by the department of
27 21 revenue pursuant to Code chapter 434 (railway companies) is
27 22 assessed.

27 23 Division II of the bill applies to property tax assessment
27 24 years beginning on or after January 1, 2012. The bill,
27 25 pursuant to Code section 4.13, does not affect the application
27 26 of prior provisions of Code section 441.21 to assessment years
27 27 beginning before January 1, 2012.

27 28 Division III of the bill removes the property tax levy rate
27 29 limitations on the general and rural funds for counties and on
27 30 the general fund for cities and substitutes a limitation on the
27 31 maximum amount of property tax dollars that may be certified
27 32 for expenditure by a county or city for budget years beginning
27 33 on or after July 1, 2012. For the budget year beginning July
27 34 1, 2012, and subsequent budget years, the maximum amount of
27 35 property tax dollars which may be certified for levy shall be



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28 1 an amount equal to the sum of the current fiscal year's total
28 2 property tax dollars certified by the county multiplied by the
28 3 annual growth factor, as defined in the bill, and the amount of
28 4 net new valuation taxes, as defined in the bill.

28 5 Division III also allows counties and cities to certify
28 6 additions to the maximum amount of property tax dollars to be
28 7 levied for a period of time not to exceed two years if the
28 8 proposition has been approved at a special election. The bill
28 9 specifies the notice and election requirements for such a
28 10 proposition. The bill specifies that such amounts approved at
28 11 special election are not to be included in the computation of
28 12 the maximum amount of property tax dollars for future budget
28 13 years.

28 14 Division III of the bill specifies certain requirements
28 15 for ending fund balances for counties and cities. The bill
28 16 provides that budgeted ending fund balances for a budget
28 17 year in excess of 25 percent of budgeted expenditures
28 18 shall be explicitly reserved or designated for a specific
28 19 purpose and specifically described in the certified budget.
28 20 The description must include the projected date that the
28 21 expenditures will be appropriated for the specific purpose.

28 22 Under the bill, counties and cities are encouraged, but
28 23 not required, to reduce budgeted, unreserved, or undesignated
28 24 ending fund balances for the budget year to an amount equal
28 25 to approximately 25 percent of budgeted expenditures for that
28 26 budget year unless a decision is certified by the state appeal
28 27 board ordering a reduction in the ending fund balance of any of
28 28 those funds. The county or city, as applicable, has the burden
28 29 of proving that the budgeted balances in excess of 25 percent
28 30 are reasonably likely to be appropriated for the explicitly
28 31 reserved or designated specific purpose by the date identified
28 32 in the certified budget.

28 33 Division III of the bill also allows for additional property
28 34 taxes to be levied in certain fiscal years for those counties
28 35 or cities that have, as of June 30, 2011, reduced their



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29 1 actual ending fund balance to less than 25 percent of actual
29 2 expenditures. Such additional property tax dollars authorized
29 3 but not levied may be carried forward as unused ending
29 4 fund balance taxing authority until and for the fiscal year
29 5 beginning July 1, 2017. However, the amount carried forward
29 6 shall not exceed 25 percent of the maximum amount of property
29 7 tax dollars available in the current fiscal year. The amount
29 8 of such additional property taxes levied shall not, however, be
29 9 included in the computation of the maximum amount of property
29 10 tax dollars which may be certified and levied in future budget
29 11 years.

29 12 Division III also makes conforming amendments to other
29 13 provisions of the Code.

29 14 Division III applies to fiscal years beginning on or after
29 15 July 1, 2012.

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Senate Amendment 3293

PAG LIN

1 1 Amend House File 649, as amended, passed, and
1 2 reprinted by the House, as follows:
1 3 #1. Page 1, line 19, by striking <9,852,577> and
1 4 inserting <10,302,577>
1 5 #2. Page 1, after line 29 by inserting:
1 6 <1A. The amount appropriated in this section
1 7 includes additional funding of \$450,000 for delivery of
1 8 long-term care services to seniors with low or moderate
1 9 incomes.>
1 10 #3. Page 2, line 35, by striking <20,703,190> and
1 11 inserting <25,703,190>
1 12 #4. Page 3, by striking lines 2 through 11 and
1 13 inserting:
1 14 <a. (1) Of the funds appropriated in this
1 15 subsection, \$5,453,830 shall be used for the tobacco
1 16 use prevention and control initiative, including
1 17 efforts at the state and local levels, as provided in
1 18 chapter 142A.
1 19 (2) Of the funds allocated in this paragraph
1 20 "a", \$453,830 shall be transferred to the alcoholic
1 21 beverages division of the department of commerce
1 22 for enforcement of tobacco laws, regulations, and
1 23 ordinances in accordance with 2011 Iowa Acts, House
1 24 File 467, as enacted.>
1 25 #5. Page 6, line 16, by striking <2,601,905> and
1 26 inserting <2,549,270>
1 27 #6. Page 6, line 17, by striking <10.00> and
1 28 inserting <11.00>
1 29 #7. Page 6, line 25, by striking <287,520> and
1 30 inserting <329,885>
1 31 #8. Page 6, line 30, after <children.> by inserting
1 32 <A portion of the funds allocated in this lettered
1 33 paragraph may be used for a full-time equivalent
1 34 position to coordinate the activities under this
1 35 paragraph.>
1 36 #9. Page 7, by striking lines 8 through 14.
1 37 #10. Page 7, line 19, by striking <3,262,256> and
1 38 inserting <3,369,156>
1 39 #11. Page 7, line 20, by striking <4.00> and
1 40 inserting <5.00>
1 41 #12. Page 7, line 21, by striking <136,808> and
1 42 inserting <160,582>
1 43 #13. Page 7, line 25, by striking <383,600> and
1 44 inserting <483,600>
1 45 #14. Page 8, line 6, by striking <755,791> and
1 46 inserting <788,303>
1 47 #15. Page 8, line 8, by striking <711,052> and
1 48 inserting <547,065>
1 49 #16. Page 8, line 12, by striking <363,987> and
1 50 inserting <200,000>



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2 1 #17. Page 8, line 18, by striking <421,782> and
2 2 inserting <528,834>
2 3 #18. Page 8, line 20, after <disorders.> by
2 4 inserting <A portion of the funds allocated in this
2 5 paragraph may be used for one full-time equivalent
2 6 position for administration of the center.>
2 7 #19. Page 8, line 28, by striking <3,677,659> and
2 8 inserting <4,813,872>
2 9 #20. Page 9, line 33, by striking <Iowa=Nebraska>
2 10 and inserting <Iowa>
2 11 #21. Page 10, line 1, by striking <116,597> and
2 12 inserting <132,580>
2 13 #22. Page 10, after line 1 by inserting:
2 14 <(1A) For distribution to the Iowa family planning
2 15 network agencies for necessary infrastructure,
2 16 statewide coordination, provider recruitment, service
2 17 delivery, and provision of assistance to patients in
2 18 determining an appropriate medical home:
2 19 \$ 74,517>
2 20 #23. Page 10, line 5, by striking <68,332> and
2 21 inserting <74,517>
2 22 #24. Page 10, line 9, by striking <68,332> and
2 23 inserting <74,517>
2 24 #25. Page 10, line 14, by striking <113,754> and
2 25 inserting <124,050>
2 26 #26. Page 10, line 19, by striking <101,264> and
2 27 inserting <110,430>
2 28 #27. Page 10, line 23, by striking <238,420> and
2 29 inserting <260,000>
2 30 #28. Page 10, line 27, by striking <247,590> and
2 31 inserting <270,000>
2 32 #29. By striking page 10, line 32, through page 11,
2 33 line 5, and inserting:
2 34 <h. (1) Of the funds appropriated in this
2 35 subsection, \$149,000 shall be used for continued
2 36 implementation of the recommendations of the direct
2 37 care worker task force established pursuant to 2005
2 38 Iowa Acts, chapter 88, based upon the report submitted
2 39 to the governor and the general assembly in December
2 40 2006. The department may use a portion of the funds
2 41 allocated in this lettered paragraph for an additional
2 42 position to assist in the continued implementation.
2 43 (2) It is the intent of the general assembly that
2 44 a board of direct care workers shall be established
2 45 within the department of public health by July 1, 2014,
2 46 contingent upon the availability of funds to establish
2 47 and maintain the board.
2 48 (3) The direct care worker advisory council
2 49 shall submit a final report no later than March 1,
2 50 2012, to the governor and the general assembly, in



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3 1 accordance with 2010 Iowa Acts, chapter 1192, section
3 2 2, subsection 4, paragraph "h", subparagraph (3).
3 3 (4) The department of public health shall report to
3 4 the persons designated in this Act for submission of
3 5 reports regarding use of the funds allocated in this
3 6 lettered paragraph, on or before January 15, 2012.
3 7 i. (1) Of the funds appropriated in this
3 8 subsection, \$130,100 shall be used for allocation to an
3 9 independent statewide direct care worker association
3 10 for education, outreach, leadership development,
3 11 mentoring, and other initiatives intended to enhance
3 12 the recruitment and retention of direct care workers in
3 13 health care and long-term care settings.
3 14 (2) Of the funds appropriated in this subsection,
3 15 \$45,173 shall be used to provide scholarships or
3 16 other forms of subsidization for direct care worker
3 17 educational conferences, training, or outreach
3 18 activities.>
3 19 #30. Page 11, after line 13 by inserting:
3 20 <k. Of the funds appropriated in this subsection,
3 21 \$50,000 shall be used for a matching dental education
3 22 loan repayment program to be allocated to a dental
3 23 nonprofit health service corporation to develop the
3 24 criteria and implement the loan repayment program.
3 25 l. Of the funds appropriated in this subsection, up
3 26 to \$134,214 shall be used to support the department's
3 27 activities relating to health and long-term care access
3 28 as specified pursuant to chapter 135, division XXIV.
3 29 m. Of the funds appropriated in this subsection,
3 30 \$363,987 shall be used as state matching funds for the
3 31 health information network as enacted by this Act.
3 32 n. Of the funds appropriated in this subsection,
3 33 \$25,000 shall be used for a pilot program established
3 34 as a collaborative effort between the department
3 35 of public health and the department of education
3 36 to provide vision screening to elementary school
3 37 children in one urban and one rural school district
3 38 in the state, on a voluntary basis, over a multiyear
3 39 period. The departments shall develop protocol for
3 40 participating schools including the grade level of the
3 41 children to be screened, the training and certification
3 42 necessary for individuals conducting the vision
3 43 screening, vision screening equipment requirements, and
3 44 documentation and tracking requirements. Following
3 45 the conclusion of the pilot program, the participating
3 46 schools shall report findings and recommendations
3 47 for statewide implementation of the vision screening
3 48 program to the departments.>
3 49 #31. Page 11, line 19, by striking <7,297,142> and
3 50 inserting <7,336,142>



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4 1 #32. Page 11, line 22, by striking <5,287,955> and
4 2 inserting <5,326,955>
4 3 #33. Page 12, line 7, by striking <2,906,532> and
4 4 inserting <2,778,688>
4 5 #34. Page 12, after line 24 by inserting:
4 6 <d. Of the funds appropriated in this subsection,
4 7 \$50,000 shall be used for education, testing, training,
4 8 and other costs to conform the requirements for
4 9 certification of emergency medical care providers with
4 10 national standards.>
4 11 #35. Page 12, by striking lines 25 through 30.
4 12 #36. Page 23, line 27, by striking <897,237,190> and
4 13 inserting <878,216,915>
4 14 #37. Page 23, by striking lines 28 through 34 and
4 15 inserting:
4 16 <1. Medically necessary abortions are those
4 17 performed under any of the following conditions:
4 18 a. The attending physician certifies that
4 19 continuing the pregnancy would endanger the life of the
4 20 pregnant woman.
4 21 b. The attending physician certifies that the
4 22 fetus is physically deformed, mentally deficient, or
4 23 afflicted with a congenital illness.
4 24 c. The pregnancy is the result of a rape which
4 25 is reported within 45 days of the incident to a law
4 26 enforcement agency or public or private health agency
4 27 which may include a family physician.
4 28 d. The pregnancy is the result of incest which
4 29 is reported within 150 days of the incident to a law
4 30 enforcement agency or public or private health agency
4 31 which may include a family physician.
4 32 e. Any spontaneous abortion, commonly known as a
4 33 miscarriage, if not all of the products of conception
4 34 are expelled.>
4 35 #38. By striking page 28, line 17, through page 29,
4 36 line 8, and inserting:
4 37 <____. a. The department may implement cost
4 38 containment strategies recommended by the governor, and
4 39 may adopt emergency rules for such implementation.
4 40 b. The department shall not implement the cost
4 41 containment strategy to require a primary care referral
4 42 for the provision of chiropractic services.
4 43 c. The department may increase the amounts
4 44 allocated for salaries, support, maintenance, and
4 45 miscellaneous purposes associated with the medical
4 46 assistance program, as necessary, to implement the cost
4 47 containment strategies. The department shall report
4 48 any such increase to the legislative services agency
4 49 and the department of management.
4 50 d. If the savings to the medical assistance



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5 1 program exceed the cost, the department may transfer
5 2 any savings generated for the fiscal year due to
5 3 medical assistance program cost containment efforts
5 4 initiated pursuant to 2010 Iowa Acts, chapter 1031,
5 5 Executive Order No. 20, issued December 16, 2009, or
5 6 cost containment strategies initiated pursuant to
5 7 this subsection, to the appropriation made in this
5 8 division of this Act for medical contracts or general
5 9 administration to defray the increased contract costs
5 10 associated with implementing such efforts.
5 11 e. The department shall report the implementation
5 12 of any cost containment strategies under this
5 13 subsection to the individuals specified in this
5 14 division of this Act for submission of reports on a
5 15 quarterly basis.>
5 16 #39. Page 29, after line 12 by inserting:
5 17 <__. Of the funds appropriated in this section,
5 18 \$6,100,000 shall be used to reduce the waiting lists
5 19 of the medical assistance home and community-based
5 20 services waivers, including the waiver for persons with
5 21 intellectual disabilities for which the nonfederal
5 22 share is paid as state case services and other support
5 23 pursuant to section 331.440. The department shall
5 24 distribute the funding allocated under this subsection
5 25 proportionately among all home and community-based
5 26 services waivers.
5 27 ___. a. The department may submit medical
5 28 assistance program state plan amendments to the centers
5 29 for Medicare and Medicaid services of the United
5 30 States department of health and human services, and may
5 31 adopt administrative rules pursuant to chapter 17A to
5 32 implement any of the following if the respective state
5 33 plan amendment is approved:
5 34 (1) Health homes pursuant to section 2703 of the
5 35 federal Patient Protection and Affordable Care Act,
5 36 Pub. L. No. 111-148. The department shall collaborate
5 37 with the medical home system advisory council created
5 38 pursuant to section 135.159 in developing such health
5 39 homes.
5 40 (2) Accountable care organization pilot programs,
5 41 if such programs are advantageous to the medical
5 42 assistance program.
5 43 b. Any health home or accountable care organization
5 44 pilot program implemented pursuant to this subsection
5 45 shall demonstrate value to the state with a
5 46 positive return on investment within two years of
5 47 implementation, and may utilize care coordination fees,
5 48 pay-for-performance fees, or shared saving strategies
5 49 if approved as part of the state plan amendment.>
5 50 #40. Page 29, line 19, by striking <5,773,844> and



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6 1 inserting <9,893,844>
6 2 #41. Page 29, line 20, before <The> by inserting
6 3 <1.>
6 4 #42. Page 29, after line 24 by inserting:
6 5 <2. Of the funds appropriated in this section,
6 6 \$150,000 shall be used for implementation of a
6 7 uniform cost report to be used in the development
6 8 of specified Medicaid reimbursement rates over a
6 9 multiyear timeframe. The department of human services,
6 10 in collaboration with affected providers, shall
6 11 finalize a uniform cost report that includes provider
6 12 type=specific cost schedules by December 15, 2011.
6 13 The uniform cost report shall be applied to providers
6 14 of home and community=based services waiver services,
6 15 habilitation services, case management services
6 16 and community mental health centers, residential
6 17 care facilities, psychiatric medical institutions
6 18 for children, and intermediate care facilities
6 19 for the mentally retarded in the development of
6 20 Medicaid reimbursement rates. The department shall
6 21 collaborate with affected Medicaid providers to test
6 22 the effectiveness of the cost report and determine
6 23 the fiscal impact of implementing the uniform cost
6 24 report during the fiscal year beginning July 1, 2012.
6 25 A report of the findings and fiscal impact shall be
6 26 submitted to the governor and the general assembly by
6 27 December 31, 2013. The rates paid in the fiscal year
6 28 beginning July 1, 2014, shall be established using
6 29 uniform cost reports submitted in the fiscal year
6 30 beginning July 1, 2012. Implementation of the uniform
6 31 cost report shall be limited to the extent of the
6 32 funding available.
6 33 3. a. Of the funds appropriated in this section,
6 34 \$100,000 shall be used for implementation of an
6 35 electronic medical record system, including system
6 36 purchase or development, for home and community=based
6 37 services providers and mental health services providers
6 38 that comply with the requirements of federal and state
6 39 laws and regulation by the fiscal year beginning July
6 40 1, 2013.
6 41 b. The department shall analyze the costs and
6 42 benefits of providing an electronic medical record and
6 43 billing system for home and community=based services
6 44 providers and mental health services providers that
6 45 comply with the requirements of federal and state laws
6 46 and regulation. The analysis shall include a review
6 47 of all of the following: including the capability for
6 48 an electronic medical record and billing system within
6 49 the procurement for the Medicaid management information
6 50 system, developing the system, and utilizing capacity



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7 1 within the health information network established by
7 2 the department of public health as enacted in this
7 3 Act. If the analysis demonstrates that a program
7 4 may be implemented in a cost=effective manner and
7 5 within available funds, the department may take steps
7 6 to implement such a system. The department shall
7 7 report the results of the analysis, activities, and
7 8 recommendations to the persons designated in this
7 9 division of this Act for submission of reports by
7 10 December 15, 2011.

7 11 c. Notwithstanding section 8.33, funds allocated in
7 12 this subsection that remain unencumbered or unobligated
7 13 at the close of the fiscal year shall not revert but
7 14 shall remain available in succeeding fiscal years to be
7 15 used for the purposes designated.

7 16 4. Of the amount appropriated in this section,
7 17 \$3,500,000 shall be used for technology upgrades
7 18 necessary to support Medicaid claims and other health
7 19 operations, worldwide federal Health Insurance
7 20 Portability and Accountability Act of 1996 (HIPAA)
7 21 claims, transactions, and coding requirements, and
7 22 the Iowa automated benefits calculation system.

7 23 Notwithstanding section 8.33, funds allocated in this
7 24 subsection that remain unencumbered or unobligated at
7 25 the close of the fiscal year shall not revert but shall
7 26 remain available in succeeding fiscal years to be used
7 27 for the purposes designated.

7 28 5. Of the funds appropriated in this section,
7 29 \$100,000 shall be used for an accountable care
7 30 organization pilot project as specified in the division
7 31 of this Act relating to prior appropriations and
7 32 related changes.

7 33 6. Of the funds appropriated in this section,
7 34 \$200,000 shall be used for the development of a
7 35 provider payment system plan to provide recommendations
7 36 to reform the health care provider payment system as an
7 37 effective way to promote coordination of care, lower
7 38 costs, and improve quality as specified in the division
7 39 of this Act relating to cost containment.

7 40 7. Of the funds appropriated in this section,
7 41 \$20,000 shall be used for the development of a plan
7 42 to establish an all=payer claims database to provide
7 43 for the collection and analysis of claims data from
7 44 multiple payers of health care as specified in the
7 45 division of this Act relating to cost containment.

7 46 8. The department shall amend the state Medicaid
7 47 health information technology plan to include costs
7 48 related to the one=time development costs of the health
7 49 information network as enacted in this Act.

7 50 9. Of the amount appropriated in this section, up



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8 1 to \$250,000 may be transferred to the appropriation for
8 2 general administration in this division of this Act to
8 3 be used for additional full-time equivalent positions
8 4 in the development of key health initiatives such as
8 5 cost containment, development and oversight of managed
8 6 care programs, and development of health strategies
8 7 targeted toward improved quality and reduced costs in
8 8 the Medicaid program.
8 9 10. Of the funds appropriated in this section,
8 10 \$50,000 shall be used for home and community-based
8 11 services waiver quality assurance programs, including
8 12 the review and streamlining of processes and policies
8 13 related to oversight and quality management to meet
8 14 state and federal requirements. The department shall
8 15 submit a report to the persons designated by this
8 16 division of this Act for submission of reports by
8 17 December 15, 2011, regarding the modifications to the
8 18 quality assurance programs.>
8 19 #43. Page 30, line 22, by striking <There> and
8 20 inserting <1. There>
8 21 #44. Page 30, line 32, by striking <32,927,152> and
8 22 inserting <33,056,102>
8 23 #45. Page 30, after line 32 by inserting:
8 24 <2. Of the funds appropriated in this section,
8 25 \$128,950 is allocated for continuation of the contract
8 26 for advertising and outreach with the department of
8 27 public health.>
8 28 #46. Page 31, line 4, by striking <51,237,662> and
8 29 inserting <55,265,509>
8 30 #47. Page 31, line 5, by striking <49,868,235> and
8 31 inserting <51,896,082>
8 32 #48. Page 31, by striking lines 25 through 30 and
8 33 inserting <system in accordance with section 237A.30.>
8 34 #49. Page 33, after line 32 by inserting:
8 35 <4. For the fiscal year beginning July 1, 2011,
8 36 notwithstanding section 232.52, subsection 2, and
8 37 section 907.3A, subsection 1, the court shall not order
8 38 the placement of a child at the Iowa juvenile home
8 39 or the state training school under section 232.52, if
8 40 that placement is not in accordance with the population
8 41 guidelines for the respective juvenile institution
8 42 established pursuant to section 233A.1 or 233B.1.>
8 43 #50. Page 34, line 5, by striking <82,020,163> and
8 44 inserting <83,420,163>
8 45 #51. Page 35, line 29, by striking <7,170,116> and
8 46 inserting <7,670,116>
8 47 #52. Page 37, line 32, by striking <4,522,602> and
8 48 inserting <6,022,602>
8 49 #53. Page 39, after line 35 by inserting:
8 50 <___. Of the funds appropriated in this section,



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9 1 \$300,000 shall be used for continuation of the central
9 2 Iowa system of care program grant through June 30,
9 3 2012.>
9 4 #54. Page 40, line 8, by striking <34,897,591> and
9 5 inserting <34,466,591>
9 6 #55. Page 41, line 8, by striking <department of
9 7 human services> and inserting <division of criminal and
9 8 juvenile justice planning of the department of human
9 9 rights>
9 10 #56. Page 41, by striking lines 14 and 15 and
9 11 inserting <submission of reports and to the department
9 12 of human services by>
9 13 #57. Page 47, after line 35 by inserting:
9 14 <Notwithstanding section 8.33, moneys appropriated
9 15 in this section that remain unencumbered or unobligated
9 16 at the close of the fiscal year shall not revert but
9 17 shall remain available for expenditure for the purposes
9 18 designated until the close of the succeeding fiscal
9 19 year.>
9 20 #58. Page 48, line 10, by striking <285.00> and
9 21 inserting <290.00>
9 22 #59. Page 48, by striking lines 17 through 25 and
9 23 inserting:
9 24 <3. Of the funds appropriated in this section,
9 25 \$132,300 shall be used to contract with a statewide
9 26 association representing community providers of mental
9 27 health, mental retardation and brain injury services
9 28 programs to provide technical assistance, support, and
9 29 consultation to providers of habilitation services and
9 30 home and community-based waiver services for adults
9 31 with disabilities under the medical assistance program.
9 32 Notwithstanding section 8.47 or any other provision of
9 33 law to the contrary, the department may utilize a sole
9 34 source approach to contract with the association.
9 35 4. Of the funds appropriated in this section,
9 36 \$176,400 shall be used to contract with an appropriate
9 37 entity to expand the provision of nationally accredited
9 38 and recognized internet-based training to include
9 39 mental health and disability services providers.
9 40 Notwithstanding section 8.47 or any other provision of
9 41 law to the contrary, the department may utilize a sole
9 42 site source approach to enter into such contract.>
9 43 #60. Page 48, before line 30 by inserting:
9 44 <____. Notwithstanding section 8.33, moneys
9 45 appropriated in this section that remain unencumbered
9 46 or unobligated at the close of the fiscal year shall
9 47 not revert but shall remain available for expenditure
9 48 for the purposes designated until the close of the
9 49 succeeding fiscal year.>
9 50 #61. Page 49, line 7, by striking <225,502,551> and



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10 1 inserting <235,493,065>
10 2 #62. Page 50, line 6, after <lower.> by inserting
10 3 <The reimbursement specified under this paragraph shall
10 4 be adjusted in accordance with chapter 249N, as enacted
10 5 in this Act.>
10 6 #63. Page 50, line 19, after <2011> by inserting
10 7 <, except that the portion of the fund attributable
10 8 to graduate medical education shall be reduced in
10 9 an amount that reflects the elimination of graduate
10 10 medical education payments made to out-of-state
10 11 hospitals.>
10 12 #64. Page 51, line 10, by striking <For> and
10 13 inserting <(1) For>
10 14 #65. Page 51, by striking lines 14 through 16 and
10 15 inserting: <medical assistance.
10 16 (2) For nonstate-owned psychiatric medical
10 17 institutions for children, reimbursement rates shall
10 18 remain at the rates in effect on June 30, 2011, except
10 19 that the reimbursement rates shall be adjusted to
10 20 include all ancillary costs and any other changes
10 21 required for federal compliance. To the extent
10 22 possible, such adjustments shall be budget neutral
10 23 to the institutions. The nonstate-owned psychiatric
10 24 medical institutions for children shall contract with
10 25 other health care providers as necessary to ensure
10 26 that prescription drug and other ancillary medical
10 27 services are provided to a child while residing
10 28 in the institution. The department shall commence
10 29 implementation activities for this subparagraph on
10 30 the effective date of this subparagraph in order to
10 31 facilitate implementation beginning July 1, 2011.>
10 32 #66. Page 56, line 32, by striking <The> and
10 33 inserting <1. The>
10 34 #67. Page 57, after line 1 by inserting:
10 35 <2. The provision under the section of the division
10 36 of this Act providing for reimbursement of medical
10 37 assistance, state supplementary assistance, and social
10 38 service providers by the department of human services
10 39 relating to reimbursement of nonstate-owned psychiatric
10 40 medical institutions for children.>
10 41 #68. Page 57, line 4, after <ACCOUNT,> by inserting
10 42 <NONPARTICIPATING PROVIDER REIMBURSEMENT FUND,>
10 43 #69. Page 57, by striking line 7 and inserting:
10 44 <HOSPITAL HEALTH CARE ACCESS TRUST FUND, AND PHARMACY
10 45 ASSESSMENT TRUST FUND>
10 46 #70. By striking page 57, line 35, through page
10 47 58, line 7, and inserting <necessary abortions. For
10 48 the purpose of this subsection, an abortion is the
10 49 purposeful interruption of pregnancy with the intention
10 50 other than to produce a live-born infant or to remove a



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11 1 dead fetus, and a medically necessary abortion is one
11 2 performed under one of the following conditions:
11 3 (1) The attending physician certifies that
11 4 continuing the pregnancy would endanger the life of the
11 5 pregnant woman.
11 6 (2) The attending physician certifies that the
11 7 fetus is physically deformed, mentally deficient, or
11 8 afflicted with a congenital illness.
11 9 (3) The pregnancy is the result of a rape which
11 10 is reported within 45 days of the incident to a law
11 11 enforcement agency or public or private health agency
11 12 which may include a family physician.
11 13 (4) The pregnancy is the result of incest which
11 14 is reported within 150 days of the incident to a law
11 15 enforcement agency or public or private health agency
11 16 which may include a family physician.
11 17 (5) The abortion is a spontaneous abortion,
11 18 commonly known as a miscarriage, wherein not all of the
11 19 products of conception are expelled.>
11 20 #71. Page 58, line 27, by striking <54,226,279> and
11 21 inserting <44,226,279>
11 22 #72. Page 59, line 8, by striking <14,000,000> and
11 23 inserting <16,277,753>
11 24 #73. Page 59, line 26, by striking <51,500,000> and
11 25 inserting <65,000,000>
11 26 #74. Page 59, line 32, by striking <48,500,000> and
11 27 inserting <60,000,000>
11 28 #75. Page 59, line 35, by striking <48,500,00> and
11 29 inserting <60,000,000>
11 30 #76. Page 60, line 1, by striking <48,500,000> and
11 31 inserting <60,000,000>
11 32 #77. Page 60, line 5, by striking <48,500,000> and
11 33 inserting <60,000,000>
11 34 #78. Page 60, line 7, after <allocated.> by
11 35 inserting <Pursuant to paragraph "b", of the amount
11 36 appropriated in this subsection, not more than
11 37 \$4,000,000 shall be distributed for prescription drugs
11 38 and podiatry services.>
11 39 #79. Page 60, after line 7 by inserting:
11 40 <b. Notwithstanding any provision of law to the
11 41 contrary, the hospital identified in this subsection,
11 42 shall be reimbursed for outpatient prescription drugs
11 43 and podiatry services provided to members of the
11 44 expansion population pursuant to all applicable medical
11 45 assistance program rules, in an amount not to exceed
11 46 \$4,000,000.>
11 47 #80. Page 60, line 8, by striking <b.> and inserting
11 48 <c.>
11 49 #81. Page 60, line 9, by striking <6> and inserting
11 50 <4>



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12 1 #82. Page 60, line 26, after <subsection.> by
12 2 inserting <Of the collections in excess of the
12 3 \$19,000,000 received by the acute care teaching
12 4 hospital under this subparagraph (1), \$2,000,000 shall
12 5 be distributed by the acute care teaching hospital to
12 6 the treasurer of state for deposit in the IowaCare
12 7 account in the month of January 2012, following the
12 8 July 1 through December 31, 2011, period.>
12 9 #83. Page 60, line 35, after <subsection.> by
12 10 inserting <Of the collections in excess of the
12 11 \$19,000,000 received by the acute care teaching
12 12 hospital under this subparagraph (2), \$2,000,000 shall
12 13 be distributed by the acute care teaching hospital to
12 14 the treasurer of state for deposit in the IowaCare
12 15 account in the month of July 2012, following the
12 16 January 1 through June 30, 2012, period.>
12 17 #84. Page 61, line 10, by striking <6,000,000> and
12 18 inserting <3,472,176>
12 19 #85. Page 61, line 11, by striking <Notwithstanding>
12 20 and inserting <a. Notwithstanding>
12 21 #86. Page 61, after line 17 by inserting:
12 22 <b. The department shall consult with providers
12 23 of primary care services in established regional
12 24 provider network areas to determine if the option
12 25 of establishing an alternative provider location is
12 26 feasible. The department may implement a pilot program
12 27 establishing an alternative provider location in an
12 28 established regional provider network area experiencing
12 29 capacity issues, if the department determines that this
12 30 option would most appropriately address such capacity
12 31 issues and provide better access to care for expansion
12 32 population members in the area. Any such pilot
12 33 program shall be implemented within funds available
12 34 under the existing appropriation and any alternative
12 35 provider location shall be subject to the requirements
12 36 applicable to an expansion population provider pursuant
12 37 to chapter 249J.>
12 38 #87. Page 61, by striking lines 18 through 25 and
12 39 inserting:
12 40 <6. There is appropriated from the IowaCare account
12 41 created in section 249J.24 to the department of human
12 42 services for the fiscal year beginning July 1, 2011,
12 43 and ending June 30, 2012, the following amount, or
12 44 so much thereof as is necessary to be used for the
12 45 purposes designated:
12 46 For a care coordination pool to pay the expansion
12 47 population providers consisting of the university of
12 48 Iowa hospitals and clinics, the publicly owned acute
12 49 care teaching hospital as specified in section 249J.7,
12 50 and nonparticipating providers as specified in section



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13 1 249J.24A that are current medical assistance program
13 2 providers, for services covered by the full benefit
13 3 medical assistance program but not under the IowaCare
13 4 program pursuant to section 249J.6, that are provided
13 5 to expansion population members:
13 6 \$ 1,500,000
13 7 a. Notwithstanding section 249J.6, the amount
13 8 appropriated in this subsection is intended to provide
13 9 payment for medically necessary services provided
13 10 to expansion population members for continuation of
13 11 care provided by the university of Iowa hospitals and
13 12 clinics or the publicly owned acute care teaching
13 13 hospital as specified in section 249J.7. Payment
13 14 may only be made for services that are not otherwise
13 15 covered under section 249J.6, and which are follow-up
13 16 services to covered services provided by the hospitals
13 17 specified in this paragraph "a".
13 18 b. The funds appropriated in this subsection are
13 19 intended to provide limited payment for continuity
13 20 of care services for an expansion population member,
13 21 and are intended to cover the costs of services
13 22 to expansion population members, regardless of
13 23 the member's county of residence or medical home
13 24 assignment, if the care is related to specialty or
13 25 hospital services provided by the hospitals specified
13 26 in paragraph "a".
13 27 c. The funds appropriated in this subsection are
13 28 not intended to provide for expanded coverage under
13 29 the IowaCare program, and shall not be used to cover
13 30 emergency transportation services.
13 31 d. The department shall adopt administrative
13 32 rules pursuant to chapter 17A to establish a prior
13 33 authorization process and to identify covered services
13 34 for reimbursement under this subsection. If the entire
13 35 amount appropriated under this subsection is expended,
13 36 the responsibility for coordinating noncovered care
13 37 needs of expansion population members shall revert to
13 38 the medical home to which the expansion population
13 39 member is assigned.
13 40 7. There is appropriated from the IowaCare account
13 41 created in section 249J.24 to the department of human
13 42 services for the fiscal year beginning July 1, 2011,
13 43 and ending June 30, 2012, the following amount or
13 44 so much thereof as is necessary to be used for the
13 45 purposes designated:
13 46 For a laboratory test and radiology pool for
13 47 services authorized by a federally qualified health
13 48 center designated by the department as part of the
13 49 IowaCare regional provider network that does not have
13 50 the capability to provide these services on site:



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14 1 \$ 500,000
14 2 Notwithstanding sections 249J.6 and 249J.7, the
14 3 amount appropriated in this subsection is intended
14 4 to provide reimbursement for services provided to
14 5 expansion population members that have previously
14 6 been paid for through expenditure by designated
14 7 regional provider network providers of their own
14 8 funds, not to expand coverage under the IowaCare
14 9 program or to expand the expansion population
14 10 provider network. The department shall designate the
14 11 laboratory and radiology provider associated with
14 12 each designated regional provider network provider
14 13 that may receive reimbursement. The department shall
14 14 adopt administrative rules pursuant to chapter 17A
14 15 to establish a prior authorization process and to
14 16 identify covered services for reimbursement under this
14 17 subsection. All other medical assistance program
14 18 payment policies and rules for laboratory and radiology
14 19 services shall apply to services provided under this
14 20 subsection. If the entire amount appropriated under
14 21 this subsection is expended, laboratory tests and
14 22 radiology services ordered by a designated regional
14 23 provider network provider shall be the financial
14 24 responsibility of the regional provider network
14 25 provider. Any funds remaining at the end of the
14 26 fiscal year shall be used to pay any unpaid claims by
14 27 university of Iowa physicians, nurse practitioners, and
14 28 physician assistants.>
14 29 #88. Page 61, before line 26 by inserting:
14 30 <Sec. _____. APPROPRIATIONS FROM NONPARTICIPATING
14 31 PROVIDER REIMBURSEMENT FUND ==== DEPARTMENT OF HUMAN
14 32 SERVICES. Notwithstanding any provision to the
14 33 contrary, and subject to the availability of funds,
14 34 there is appropriated from the nonparticipating
14 35 provider reimbursement fund created in section 249J.24A
14 36 to the department of human services for the fiscal year
14 37 beginning July 1, 2011, and ending June 30, 2012, the
14 38 following amount or so much thereof as is necessary for
14 39 the purposes designated:
14 40 To reimburse nonparticipating providers in
14 41 accordance with section 249J.24A:
14 42 \$ 2,000,000>
14 43 #89. By striking page 61, line 34, through page 62,
14 44 line 1.
14 45 #90. Page 62, by striking lines 33 through 35 and
14 46 inserting:
14 47 <10. For transfer to the department of public
14 48 health to be used for the costs of medical home
14 49 system advisory council established pursuant to
14 50 section 135.159, including for the incorporation of



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15 1 the work and duties of the prevention and chronic
15 2 care management advisory council pursuant to section
15 3 135.161, as amended by this Act:
15 4 \$ 233,357>
15 5 #91. Page 64, line 3, by striking <To> and inserting
15 6 <1. To>
15 7 #92. Page 64, line 6, by striking <29,000,000> and
15 8 inserting <60,496,712>
15 9 #93. Page 64, after line 6 by inserting:
15 10 <2. To increase the monthly upper cost limit
15 11 for services under the medical assistance home and
15 12 community-based services waiver for the elderly:
15 13 \$ 1,000,000>
15 14 #94. Page 64, after line 22 by inserting:
15 15 <Sec. _____. PHARMACY ASSESSMENT TRUST FUND ====
15 16 DEPARTMENT OF HUMAN SERVICES. Notwithstanding
15 17 any provision to the contrary and subject to the
15 18 availability of funds, there is appropriated from the
15 19 pharmacy assessment trust fund created in section
15 20 249N.4, as enacted in this Act, to the department of
15 21 human services for the fiscal year beginning July 1,
15 22 2011, and ending June 30, 2012, the following amounts,
15 23 or so much thereof as is necessary, for the purposes
15 24 designated:
15 25 To supplement the appropriation made in this Act
15 26 from the general fund of the state to the department of
15 27 human services for medical assistance:
15 28 \$ 17,377,252>
15 29 #95. Page 65, after line 2 by inserting:
15 30 <Sec. _____. CONTINUATION OF WORKGROUP BY JUDICIAL
15 31 BRANCH AND DEPARTMENT OF HUMAN SERVICES. The judicial
15 32 branch and department of human services shall continue
15 33 the workgroup implemented pursuant to 2010 Iowa Acts,
15 34 chapter 1192, section 24, subsection 2, to improve
15 35 the processes for involuntary commitment for chronic
15 36 substance abuse under chapter 125 and serious mental
15 37 illness under chapter 229. The recommendations issued
15 38 by the workgroup shall address alternatives and options
15 39 to the current provision of transportation by the
15 40 county sheriff; to the role, supervision, and funding
15 41 of mental health patient advocates; and for civil
15 42 commitment prescreening. Additional stakeholders
15 43 shall be added as necessary to facilitate the workgroup
15 44 efforts. The workgroup shall complete deliberations
15 45 and submit a final report providing findings and
15 46 recommendations on or before December 15, 2011.>
15 47 #96. By striking page 70, line 22, through page 72,
15 48 line 17.
15 49 #97. Page 72, line 33, after <Grenada,> by inserting
15 50 <Lebanon,>



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16 1 #98. Page 73, line 28, after <72,> by inserting
16 2 <shall not revert but shall remain available in
16 3 succeeding fiscal years to be used for the purposes
16 4 designated until expended and any other>

16 5 #99. Page 74, by striking lines 19 through 27 and
16 6 inserting:

16 7 <Sec. _____. 2009 Iowa Acts, chapter 183, section 62,
16 8 subsection 4, is amended to read as follows:

16 9 4. The financial assistance shall be for any of the
16 10 following purposes:

16 11 a. For making temporary payments to qualifying
16 12 families whose members are recently unemployed and
16 13 seeking work to use in meeting immediate family needs.

16 14 b. For providing sliding scale subsidies for
16 15 qualifying families for child care provided to the
16 16 families' infants and toddlers by providers who
16 17 are accredited by the national association for the
16 18 education of young children or the national association
16 19 for family child care, or who have a rating at level 3
16 20 ~~2~~ or higher under the child care quality rating system
16 21 implemented pursuant to section 237A.30.

16 22 c. For expanding training and other support for
16 23 infant care providers in the community and this state.

16 24 d. For ensuring child care environments are healthy
16 25 and safe.

16 26 e. For promoting positive relationships between
16 27 parents and providers in their mutual efforts to care
16 28 for very young children.

16 29 f. For ensuring that parents have the information
16 30 and resources needed to choose quality child care.>

16 31 #100. By striking page 74, line 28, through page 75,
16 32 line 7.

16 33 #101. Page 76, after line 31 by inserting:

16 34 <CHILD WELFARE TRAINING ACADEMY

16 35 Sec. _____. 2010 Iowa Acts, chapter 1192, section 19,
16 36 subsection 22, is amended to read as follows:

16 37 22. Of the funds appropriated in this section,
16 38 at least \$47,158 shall be used for the child welfare
16 39 training academy. Notwithstanding section 8.33, moneys
16 40 allocated in this subsection that remain unencumbered
16 41 or unobligated at the close of the fiscal year shall
16 42 not revert but shall remain available for expenditure
16 43 for the purposes designated until the close of the
16 44 succeeding fiscal year.>>

16 45 #102. Page 76, line 32, after <TRANSFER> by
16 46 inserting <AND NONREVERSION>

16 47 #103. Page 76, line 34, by striking <subsection> and
16 48 inserting <subsections>

16 49 #104. Page 77, after line 4 by inserting:

16 50 <NEW SUBSECTION. 5. Notwithstanding section



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17 1 8.33, moneys appropriated in this section that remain
17 2 unencumbered or unobligated at the close of the fiscal
17 3 year shall not revert but shall remain available for
17 4 expenditure for the purposes designated until the close
17 5 of the succeeding fiscal year.>
17 6 #105. Page 77, after line 4 by inserting:
17 7 <DEPARTMENT OF HUMAN SERVICES ==== FIELD OPERATIONS
17 8 Sec. _____. 2010 Iowa Acts, chapter 1192, section
17 9 29, is amended by adding the following new unnumbered
17 10 paragraph:
17 11 NEW UNNUMBERED PARAGRAPH Notwithstanding section
17 12 8.33, moneys appropriated in this section that remain
17 13 unencumbered or unobligated at the close of the fiscal
17 14 year shall not revert but shall remain available for
17 15 expenditure for the purposes designated until the close
17 16 of the succeeding fiscal year.
17 17 DEPARTMENT OF HUMAN SERVICES ==== GENERAL ADMINISTRATION
17 18 Sec. _____. 2010 Iowa Acts, chapter 1192, section 30,
17 19 is amended by adding the following new subsection:
17 20 NEW SUBSECTION. 5. Notwithstanding section 8.33,
17 21 moneys appropriated in this section and the designated
17 22 allocations that remain unencumbered or unobligated
17 23 at the close of the fiscal year shall not revert but
17 24 shall remain available for expenditure for the purposes
17 25 designated until the close of the succeeding fiscal
17 26 year.>
17 27 #106. Page 77, before line 30 by inserting:
17 28 <QUALITY ASSURANCE TRUST FUND ==== DEPARTMENT OF HUMAN
17 29 SERVICES>
17 30 #107. Page 79, after line 3 by inserting:
17 31 <STATE INSTITUTION ==== APPROPRIATION TRANSFERS
17 32 Sec. _____. DEPARTMENT OF HUMAN SERVICES. There
17 33 is transferred between the following designated
17 34 appropriations made to the department of human services
17 35 for the fiscal year beginning July 1, 2010, and ending
17 36 June 30, 2011, not more than the following amounts:
17 37 1. From the appropriation made for purposes of the
17 38 state resource center at Glenwood in 2010 Iowa Acts,
17 39 chapter 1192, section 25, subsection 1, paragraph "a",
17 40 to the appropriation made for purposes of the Iowa
17 41 juvenile home at Toledo in 2010 Iowa Acts, chapter
17 42 1192, section 17, subsection 1:
17 43 \$ 400,000
17 44 2. From the appropriation made for purposes of the
17 45 state resource center at Woodward in 2010 Iowa Acts,
17 46 chapter 1192, section 25, subsection 1, paragraph "b",
17 47 to the appropriation made for purposes of the state
17 48 mental health institute at Independence in 2010 Iowa
17 49 Acts, chapter 1192, section 24, subsection 1, paragraph
17 50 "c":



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18 1 \$ 400,000>

18 2 #108. Page 79, by striking lines 4 through 14.

18 3 #109. Page 81, after line 2 by inserting:

18 4 <Sec. _____. RETROACTIVE APPLICABILITY. The section
18 5 of this division of this Act making transfers between
18 6 appropriations made to the department of human services
18 7 for state institutions in 2010 Iowa Acts, chapter 1192,
18 8 applies retroactively to January 1, 2011.>

18 9 #110. Page 82, after line 3 by inserting:

18 10 <Sec. _____. Section 29C.20B, Code 2011, is amended
18 11 to read as follows:

18 12 29C.20B Disaster case management.

18 13 1. The ~~rebuild Iowa office~~ homeland security
18 14 and emergency management division shall work with

18 15 the department of human services and nonprofit,
18 16 voluntary, and faith-based organizations active
18 17 in disaster recovery and response in coordination
18 18 with ~~the homeland security and emergency management~~

~~division~~ the department of human services to establish

18 20 a statewide system of disaster case management to be
18 21 activated following the governor's proclamation of
18 22 a disaster emergency or the declaration of a major
18 23 disaster by the president of the United States for

18 24 individual assistance purposes. Under the system, the
18 25 ~~department of human services~~ homeland security and
18 26 emergency management division shall coordinate case

18 27 management services locally through local committees

18 28 as established in each local emergency management

18 29 commission's emergency plan. ~~Beginning July 1,~~

~~18 30 2011, the department of human services shall assume~~

~~18 31 the duties of the rebuild Iowa office under this~~

~~18 32 subsection.~~

18 33 2. The ~~department of human services~~ homeland

18 34 security and emergency management division, in

18 35 conjunction with the ~~rebuild Iowa office~~, ~~the homeland~~

~~18 36 security and emergency management division~~ department

18 37 of human services, and an Iowa representative to

18 38 the national voluntary organizations active in

18 39 disaster, shall adopt rules pursuant to chapter 17A to

18 40 create coordination mechanisms and standards for the

18 41 establishment and implementation of a statewide system

18 42 of disaster case management which shall include at

18 43 least all of the following:

18 44 a. Disaster case management standards.

18 45 b. Disaster case management policies.

18 46 c. Reporting requirements.

18 47 d. Eligibility criteria.

18 48 e. Coordination mechanisms necessary to carry out

18 49 the services provided.

18 50 f. Develop formal working relationships with



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19 1 agencies and create interagency agreements for
19 2 those considered to provide disaster case management
19 3 services.
19 4 g. Coordination of all available services for
19 5 individuals from multiple agencies.>
19 6 #111. Page 82, after line 3 by inserting:
19 7 <Sec. _____. Section 135.106, Code 2011, is amended
19 8 by adding the following new subsection:
19 9 NEW SUBSECTION. 4. It is the intent of the general
19 10 assembly that priority for home visitation funding be
19 11 given to approaches using evidence-based or promising
19 12 models for home visitation.>
19 13 #112. Page 82, after line 3 by inserting:
19 14 <Sec. _____. Section 135H.6, subsection 8, Code 2011,
19 15 is amended to read as follows:
19 16 8. The department of human services may give
19 17 approval to conversion of beds approved under
19 18 subsection 6, to beds which are specialized to provide
19 19 substance abuse treatment. However, the total number
19 20 of beds approved under subsection 6 and this subsection
19 21 shall not exceed four hundred thirty. Conversion of
19 22 beds under this subsection shall not require a revision
19 23 of the certificate of need issued for the psychiatric
19 24 institution making the conversion. Beds for children
19 25 who do not reside in this state and whose service costs
19 26 are not paid by public funds in this state are not
19 27 subject to the limitations on the number of beds and
19 28 certificate of need requirements otherwise applicable
19 29 under this section.>
19 30 #113. Page 82, after line 31 by inserting:
19 31 <Sec. _____. Section 154A.24, subsection 3, paragraph
19 32 s, Code 2011, is amended by striking the paragraph.>
19 33 #114. Page 82, after line 31 by inserting:
19 34 <Sec. _____. NEW SECTION. 155A.43 Pharmaceutical
19 35 collection and disposal program === annual allocation.
19 36 Of the fees collected pursuant to sections 124.301
19 37 and 147.80 and chapter 155A by the board of pharmacy,
19 38 and retained by the board pursuant to section 147.82,
19 39 not more than one hundred twenty-five thousand
19 40 dollars, may be allocated annually by the board for
19 41 administering the pharmaceutical collection and
19 42 disposal program originally established pursuant to
19 43 2009 Iowa Acts, chapter 175, section 9. The program
19 44 shall provide for the management and disposal of
19 45 unused, excess, and expired pharmaceuticals. The
19 46 board of pharmacy may cooperate with the Iowa pharmacy
19 47 association and may consult with the department and
19 48 sanitary landfill operators in administering the
19 49 program.>
19 50 #115. Page 83, after line 9 by inserting:



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20 1 <Sec. _____. Section 235B.19, Code 2011, is amended
20 2 by adding the following new subsection:
20 3 NEW SUBSECTION. 2A. a. The department shall
20 4 serve a copy of the petition and any order authorizing
20 5 protective services, if issued, on the dependent adult
20 6 and on persons who are competent adults and reasonably
20 7 ascertainable at the time the petition is filed in
20 8 accordance with the following priority:
20 9 (1) An attorney in fact named by the dependent
20 10 adult in a durable power of attorney for health care
20 11 pursuant to chapter 144B.
20 12 (2) The dependent adult's spouse.
20 13 (3) The dependent adult's children.
20 14 (4) The dependent adult's grandchildren.
20 15 (5) The dependent adult's siblings.
20 16 (6) The dependent adult's aunts and uncles.
20 17 (7) The dependent adult's nieces and nephews.
20 18 (8) The dependent adult's cousins.
20 19 b. When the department has served a person in one
20 20 of the categories specified in paragraph "a", the
20 21 department shall not be required to serve a person in
20 22 any other category.
20 23 c. The department shall serve the dependent adult's
20 24 copy of the petition and order personally upon the
20 25 dependent adult. Service of the petition and all other
20 26 orders and notices shall be in a sealed envelope with
20 27 the proper postage on the envelope, addressed to the
20 28 person being served at the person's last known post
20 29 office address, and deposited in a mail receptacle
20 30 provided by the United States postal service. The
20 31 department shall serve such copies of emergency orders
20 32 authorizing protective services and notices within
20 33 three days after filing the petition and receiving such
20 34 orders.
20 35 d. The department and all persons served by the
20 36 department with notices under this subsection shall
20 37 be prohibited from all of the following without prior
20 38 court approval after the department's petition has been
20 39 filed:
20 40 (1) Selling, removing, or otherwise disposing of
20 41 the dependent adult's personal property.
20 42 (2) Withdrawing funds from any bank, savings and
20 43 loan association, credit union, or other financial
20 44 institution, or from an account containing securities
20 45 in which the dependent adult has an interest.>
20 46 #116. Page 83, after line 9 by inserting:
20 47 <Sec. _____. Section 237A.1, subsection 3, paragraph
20 48 n, Code 2011, is amended to read as follows:
20 49 n. A program offered to a child whose parent,
20 50 guardian, or custodian is engaged solely in a



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21 1 recreational or social activity, remains immediately
21 2 available and accessible on the physical premises on
21 3 which the child's care is provided, and does not engage
21 4 in employment while the care is provided. However,
21 5 if the recreational or social activity is provided in
21 6 a fitness center or on the premises of a nonprofit
21 7 organization the parent, guardian, or custodian of the
21 8 child may be employed to teach or lead the activity.>
21 9 #117. Page 83, after line 9 by inserting:
21 10 <Sec. _____. Section 249A.4B, subsection 2, paragraph
21 11 a, subparagraph (18), Code 2011, is amended to read as
21 12 follows:
21 13 (18) The ~~Iowa/Nebraska~~ Iowa primary care
21 14 association.>
21 15 #118. Page 83, by striking lines 10 through 19.
21 16 #119. Page 83, after line 21 by inserting:
21 17 <DIVISION ____
21 18 IOWA FALSE CLAIMS ACT
21 19 Sec. _____. Section 685.1, subsection 11, Code 2011,
21 20 is amended to read as follows:
21 21 11. "Original source" means an individual who ~~has~~
21 22 ~~direct and independent~~ prior to a public disclosure
21 23 under section 685.3, subsection 5, paragraph "c", has
21 24 voluntarily disclosed to the state the information on
21 25 which the allegations or transactions in a claim are
21 26 based; or who has knowledge of the information on which
21 27 ~~the allegations are based~~ that is independent of and
21 28 materially adds to the publicly disclosed allegations
21 29 or transactions, and has voluntarily provided the
21 30 information to the state before filing an action under
21 31 ~~section 685.3 which is based on the information this~~
21 32 chapter.
21 33 Sec. _____. Section 685.1, Code 2011, is amended by
21 34 adding the following new subsection:
21 35 NEW SUBSECTION. 15. "State" means the state of
21 36 Iowa.
21 37 Sec. _____. Section 685.2, subsection 1, unnumbered
21 38 paragraph 1, Code 2011, is amended to read as follows:
21 39 A person who commits any of the following acts is
21 40 jointly and severally liable to the state for a civil
21 41 penalty of not less than ~~five thousand dollars~~ and
21 42 not more than ~~ten thousand dollars~~ the civil penalty
21 43 allowed under the federal False Claims Act, as codified
21 44 in 31 U.S.C. { 3729 et seq., as may be adjusted in
21 45 accordance with the inflation adjustment procedures
21 46 prescribed in the federal Civil Penalties Inflation
21 47 Adjustment Act of 1990, Pub. L. No. 101=410, for each
21 48 false or fraudulent claim, plus three times the amount
21 49 of damages which the state sustains ~~because of the act~~
21 50 ~~of that person:~~



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22 1 Sec. _____. Section 685.3, subsection 5, paragraph
22 2 c, Code 2011, is amended by striking the paragraph and
22 3 inserting in lieu thereof the following:

22 4 c. A court shall dismiss an action or claim
22 5 under this section, unless opposed by the state, if
22 6 substantially the same allegations or transactions as
22 7 alleged in the action or claim were publicly disclosed
22 8 in a state criminal, civil, or administrative hearing
22 9 in which the state or an agent of the state is a
22 10 party; in a state legislative, state auditor, or other
22 11 state report, hearing, audit, or investigation; or
22 12 by the news media, unless the action is brought by
22 13 the attorney general or the qui tam plaintiff is an
22 14 original source of the information.

22 15 Sec. _____. Section 685.3, subsection 6, Code 2011,
22 16 is amended to read as follows:

22 17 6. a. Any employee, contractor, or agent ~~who~~
~~22 18 shall be entitled to all relief necessary to make~~
~~22 19 that employee, contractor, or agent whole, if that~~
~~22 20 employee, contractor, or agent~~ is discharged, demoted,
22 21 suspended, threatened, harassed, or in any other manner
22 22 discriminated against in the terms and conditions of
22 23 employment because of lawful acts ~~performed~~ done by
22 24 the employee, contractor, or agent ~~on behalf of the~~
~~22 25 employee, contractor, or agent~~ or associated others in
22 26 furtherance of an action under this section or other
22 27 efforts to stop ~~a violation~~ one or more violations of
22 28 this chapter, ~~shall be entitled to all relief necessary~~
~~22 29 to make the employee, contractor, or agent whole. Such~~
~~22 30 relief~~

22 31 b. Relief under paragraph "a" shall include
22 32 reinstatement with the same seniority status ~~such~~
~~22 33 that employee, contractor, or agent would have had~~
22 34 but for the discrimination, two times the amount of
22 35 back pay, interest on the back pay, and compensation
22 36 for any special damages sustained as a result of
22 37 the discrimination, including litigation costs and
22 38 reasonable attorney fees. An ~~employee, contractor, or~~
~~22 39 agent may bring an action under this subsection may be~~
~~22 40 brought~~ in the appropriate district court of the state
22 41 for the relief provided in this subsection.

22 42 c. A civil action under this subsection shall not
~~22 43 be brought more than three years after the date when~~
~~22 44 the retaliation occurred.~~

22 45 DIVISION ____

22 46 IOWACARE PROGRAM

22 47 Sec. _____. Section 249J.6, subsection 2, paragraph
22 48 b, Code 2011, is amended to read as follows:

22 49 b. Refusal of an expansion population member to
22 50 participate in a comprehensive medical examination



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23 1 or any health risk assessment implemented by the
23 2 department shall not be a basis for ineligibility
23 3 for or disenrollment from the expansion population.
23 4 Refusal of an expansion population member to
23 5 participate in a comprehensive medical examination or
23 6 other preventative health service shall not negatively
23 7 affect the calculation of performance payments for an
23 8 expansion population network provider medical home.

23 9 Sec. _____. Section 249J.6, subsection 3, Code 2011,
23 10 is amended to read as follows:

23 11 3. Expansion population members, including members
23 12 assigned to an expansion population network provider
23 13 medical home, shall be provided access to an IowaCare
23 14 nurse helpline, accessible twenty-four hours per day,
23 15 seven days per week, to assist expansion population
23 16 members in making appropriate choices about the use of
23 17 emergency room and other health care services.

23 18 Sec. _____. Section 249J.7, subsection 1, paragraph
23 19 c, Code 2011, is amended to read as follows:

23 20 c. (1) Tertiary care shall only be provided to
23 21 eligible expansion population members residing in any
23 22 county in the state at the university of Iowa hospitals
23 23 and clinics.

23 24 (2) Secondary care shall be provided by the
23 25 publicly owned acute care teaching hospital located
23 26 in a county with a population over three hundred
23 27 fifty thousand and the university of Iowa hospitals
23 28 and clinics, based on county of residence, only to
23 29 the extent specified in the phase-in of the regional
23 30 provider network designated by the department.

23 31 Sec. _____. Section 249J.24A, subsection 1, Code
23 32 2011, is amended to read as follows:

23 33 1. A nonparticipating provider may be reimbursed
23 34 for covered expansion population services provided to
23 35 an expansion population member ~~by a nonparticipating~~
~~23 36 provider if the nonparticipating provider contacts the~~
~~23 37 appropriate participating provider prior to providing~~
~~23 38 covered services to verify consensus regarding one of~~
~~23 39 the following courses of action if any of the following~~
23 40 conditions is met:

~~23 41 a. If the nonparticipating provider and the~~
~~23 42 participating provider agree that the medical status~~
~~23 43 of the expansion population member indicates it~~
~~23 44 is medically possible to postpone provision of~~
~~23 45 services, the nonparticipating provider shall direct~~
~~23 46 the expansion population member to the appropriate~~
~~23 47 participating provider for services.~~

~~23 48 b. a. If the nonparticipating provider and the~~
~~23 49 participating provider agree determines that the~~
23 50 medical status of the expansion population member



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24 1 indicates it is not medically ~~possible~~ advisable to
24 2 postpone provision of services, the nonparticipating
24 3 provider shall provide medically necessary services.
24 4 ~~e.~~ b. If the nonparticipating provider and the
24 5 participating provider agree that transfer of the
24 6 expansion population member is not possible due to lack
24 7 of available inpatient capacity, the nonparticipating
24 8 provider shall provide medically necessary services.
24 9 ~~d.~~ c. If the medical status of the expansion
24 10 population member indicates a medical emergency and the
24 11 nonparticipating provider is not able to contact the
24 12 appropriate participating provider prior to providing
24 13 medically necessary services, the nonparticipating
24 14 provider shall document the medical emergency
24 15 and inform the appropriate participating provider
24 16 immediately after the member has been stabilized of any
24 17 covered services provided.

24 18 Sec. _____. Section 249J.24A, subsection 2, paragraph
24 19 a, Code 2011, is amended to read as follows:

24 20 a. If the nonparticipating provider meets
24 21 the requirements specified in subsection 1, the
24 22 nonparticipating provider shall be reimbursed for
24 23 covered expansion population services, limited to
24 24 emergency and other inpatient hospital services
24 25 provided to the expansion population member up to the
24 26 point of transfer to another provider, discharge,
24 27 or transfer to another level of care, through the
24 28 nonparticipating provider reimbursement fund in
24 29 accordance with rules adopted by the department of
24 30 human services. However, any funds received from
24 31 participating providers, appropriated to participating
24 32 providers, or deposited in the IowaCare account
24 33 pursuant to section 249J.24, shall not be transferred
24 34 or appropriated to the nonparticipating provider
24 35 reimbursement fund or otherwise used to reimburse
24 36 nonparticipating providers.

24 37 DIVISION _____

24 38 VOLUNTEER HEALTH CARE PROVIDER PROGRAM

24 39 Sec. _____. Section 135.24, subsection 2, paragraphs
24 40 b and c, Code 2011, are amended to read as follows:

24 41 b. Procedures for registration of hospitals, free
24 42 clinics, field dental clinics, and specialty health
24 43 care provider offices.

24 44 c. Criteria for and identification of hospitals,
24 45 clinics, free clinics, field dental clinics, specialty
24 46 health care provider offices, or other health care
24 47 facilities, health care referral programs, or
24 48 charitable organizations, eligible to participate in
24 49 the provision of free medical, dental, chiropractic,
24 50 pharmaceutical, nursing, optometric, psychological,



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25 1 social work, behavioral science, podiatric, physical
25 2 therapy, occupational therapy, respiratory therapy, or
25 3 emergency medical care services through the volunteer
25 4 health care provider program. A hospital, a clinic, a
25 5 free clinic, a field dental clinic, a specialty health
25 6 care provider office, a health care facility, a health
25 7 care referral program, a charitable organization, or
25 8 a health care provider participating in the program
25 9 shall not bill or charge a patient for any health care
25 10 provider service provided under the volunteer health
25 11 care provider program.

25 12 Sec. _____. Section 135.24, Code 2011, is amended by
25 13 adding the following new subsection:

25 14 NEW SUBSECTION. 6A. A hospital providing free care
25 15 under this section shall be considered a state agency
25 16 solely for the purposes of this section and chapter 669
25 17 and shall be afforded protection under chapter 669 as a
25 18 state agency for all claims arising from the provision
25 19 of free care by a health care provider registered under
25 20 subsection 3 who is providing services at the hospital
25 21 in accordance with this section, if the hospital has
25 22 registered with the department pursuant to subsection
25 23 1.

25 24 Sec. _____. Section 135.24, subsection 7, Code 2011,
25 25 is amended by adding the following new paragraph:

25 26 NEW PARAGRAPH. 0e. "Hospital" means hospital as
25 27 defined in section 135B.1.

25 28 DIVISION _____

25 29 HEALTH CARE COST CONTAINMENT

25 30 Sec. _____. ALL=PAYER CLAIMS DATABASE PLAN. The
25 31 department of human services shall develop a plan to
25 32 establish an all=payer claims database to provide
25 33 for the collection and analysis of claims data from
25 34 multiple payers of health care. The plan shall
25 35 establish the goals of the database which may include
25 36 but are not limited to determining health care
25 37 utilization patterns and rates; identifying gaps in
25 38 prevention and health promotion services; evaluating
25 39 access to care; assisting with benefit design and
25 40 planning; analyzing statewide and local health care
25 41 expenditures by provider, employer, and geography;
25 42 informing the development of payment systems for
25 43 providers; and establishing clinical guidelines related
25 44 to quality, safety, and continuity of care. The plan
25 45 shall identify a standard means of data collection,
25 46 statutory changes necessary to the collection and
25 47 use of the data, and the types of claims for which
25 48 collection of data is required which may include
25 49 but are not limited to eligibility data; provider
25 50 information; medical data; private and public medical,



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26 1 pharmacy, and dental claims data; and other appropriate
26 2 data. The plan shall also include an implementation
26 3 and maintenance schedule including a proposed budget
26 4 and funding plan and vision for the future.

26 5 Sec. _____. PROVIDER PAYMENT SYSTEM PLAN ==== PILOT
26 6 PROJECT. The department of human services shall
26 7 develop a provider payment system plan to provide
26 8 recommendations to reform the health care provider
26 9 payment system as an effective way to promote
26 10 coordination of care, lower costs, and improve quality.
26 11 The plan shall provide analysis and recommendations
26 12 regarding but not limited to accountable care
26 13 organizations, a global payment system, or an episode
26 14 of care payment system.

26 15 Sec. _____. EFFECTIVE UPON ENACTMENT. This division
26 16 of this Act, being deemed of immediate importance,
26 17 takes effect upon enactment.>

26 18 #120. Page 83, after line 21 by inserting:

26 19 <DIVISION _____
26 20 NURSING FACILITY QUALITY ASSURANCE ASSESSMENT PROGRAM

26 21 Sec. _____. Section 249L.2, Code 2011, is amended by
26 22 adding the following new subsection:

26 23 NEW SUBSECTION. 8A. "Patient service revenue" means
26 24 the total Medicaid, Medicare, and private pay revenues
26 25 as they correlate with the Medicaid cost reports.

26 26 Sec. _____. Section 249L.3, subsection 1, paragraph
26 27 d, Code 2011, is amended to read as follows:

26 28 d. The aggregate quality assurance assessments
26 29 imposed under this chapter shall not exceed the lower

26 30 of ~~three~~ five percent of the aggregate ~~non-Medicare~~
~~26 31 patient service~~ revenues of a nursing facility or the
26 32 maximum amount that may be assessed pursuant to the
26 33 indirect guarantee threshold as established pursuant to
26 34 42 C.F.R. { 433.68(f)(3)(i), and shall be stated on a
26 35 per=patient=day basis.

26 36 Sec. _____. Section 249L.4, subsection 2, Code 2011,
26 37 is amended to read as follows:

26 38 2. a. Moneys in the trust fund shall be used,
26 39 subject to their appropriation by the general assembly,
26 40 by the department only for reimbursement of services
26 41 for which federal financial participation under the
26 42 medical assistance program is available to match state
26 43 funds.

26 44 b. Any moneys appropriated from the trust fund for
26 45 reimbursement of nursing facilities, in addition to
26 46 the quality assurance assessment pass=through and the
26 47 quality assurance assessment rate add=on which shall be
26 48 used as specified in subsection 5, paragraph "b", shall
26 49 be used in a manner such that no less than thirty=five
26 50 percent of the amount received by a nursing facility



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27 1 is used for increases in compensation and costs
27 2 of employment for direct care workers, and no less
27 3 than sixty percent of the total is used to increase
27 4 compensation and costs of employment for all nursing
27 5 facility staff. For the purposes of use of such
27 6 funds, "direct care worker", "nursing facility staff",
27 7 "increases in compensation", and "costs of employment"
27 8 mean as defined or specified in this chapter.

27 9 c. One million dollars of the moneys in the trust
27 10 fund shall be used to increase the monthly upper cost
27 11 limit for services under the medical assistance home
27 12 and community-based services waiver for the elderly.

27 13 Sec. _____. Section 249L.4, subsection 5, paragraph
27 14 a, subparagraph (2), Code 2011, is amended to read as
27 15 follows:

27 16 (2) A quality assurance assessment rate
27 17 add=on. This rate add=on shall be calculated on a
27 18 per=patient=day basis for medically indigent residents.
27 19 The amount paid to a nursing facility as a quality
27 20 assurance assessment rate add=on shall ~~be ten~~ not
27 21 exceed fifteen dollars per patient day.

27 22 Sec. _____. DIRECTIVE TO DEPARTMENT OF HUMAN
27 23 SERVICES. Upon enactment of this division of this Act,
27 24 the department of human services shall request any
27 25 medical assistance state plan amendment necessary to
27 26 implement the revisions to the nursing facility quality
27 27 assurance assessment program specified in this division
27 28 of this Act from the centers for Medicare and Medicaid
27 29 services of the United States department of health and
27 30 human services.

27 31 Sec. _____. CONTINGENCY PROVISION. The revised
27 32 quality assurance assessment specified in this Act
27 33 shall accrue beginning July 1, 2011. However, accrued
27 34 quality assurance assessments shall not be collected
27 35 prior to completion of both of the following:

27 36 1. The approval of the medical assistance state
27 37 plan amendment necessary to implement the revisions
27 38 specified in this division of this Act by the centers
27 39 for Medicare and Medicaid services of the United States
27 40 department of health and human services.

27 41 2. An appropriation enacted by the general assembly
27 42 to implement the revised nursing facility provider
27 43 reimbursements as provided in this Act.

27 44 Sec. _____. EFFECTIVE UPON ENACTMENT AND
27 45 APPLICABILITY. This division of this Act, being deemed
27 46 of immediate importance, takes effect upon enactment.
27 47 However, the department of human services shall only
27 48 implement this division of this Act if the department
27 49 receives approval of the state plan amendment necessary
27 50 to implement the revisions to the nursing facility



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28 1 quality assurance assessment program as specified in
28 2 this division of this Act.>
28 3 #121. Page 83, after line 21 by inserting:
28 4 <DIVISION ____
28 5 PHARMACY ASSESSMENT
28 6 Sec. _____. NEW SECTION. 249N.1 Title.
28 7 This chapter shall be known and may be cited as the
28 8 "Pharmacy Assessment Program".
28 9 Sec. _____. NEW SECTION. 249N.2 Definitions.
28 10 As used in this chapter, unless the context
28 11 otherwise requires:
28 12 1. "Department" means the department of human
28 13 services.
28 14 2. "Pharmacy" means pharmacy as defined in section
28 15 155A.3.
28 16 Sec. _____. NEW SECTION. 249N.3 Pharmacy assessment
28 17 program.
28 18 1. Beginning July 1, 2011, or the implementation
28 19 date of the pharmacy assessment program as determined
28 20 by receipt of approval from the centers for Medicare
28 21 and Medicaid services of the United States department
28 22 of health and human services, whichever is later, a
28 23 pharmacy in this state shall be assessed a fee based
28 24 on a methodology determined by the department in
28 25 consultation with pharmacy representatives. Pharmacies
28 26 domiciled or headquartered outside the state that are
28 27 engaged in prescription drug sales that are delivered
28 28 directly to patients within the state via common
28 29 carrier, mail, or a carrier service are not subject to
28 30 the provisions of this chapter.
28 31 2. The aggregate assessment imposed under this
28 32 section shall not exceed the maximum amount that may be
28 33 assessed pursuant to the indirect guarantee threshold
28 34 as established pursuant to 42 C.F.R. { 433.68(f)(3)(i),
28 35 and shall be stated on a per prescription basis.
28 36 3. The assessment shall be paid by each pharmacy to
28 37 the department on a quarterly basis. The department
28 38 shall prepare and distribute a form upon which
28 39 pharmacies shall calculate and report the assessment.
28 40 A pharmacy shall submit the completed form with the
28 41 assessment amount no later than the last day of the
28 42 month following the end of each calendar quarter. The
28 43 department may deduct the monthly amount from medical
28 44 assistance payments to a pharmacy. The amount deducted
28 45 from the payments shall not exceed the total amount of
28 46 the assessment due.
28 47 4. A pharmacy shall retain and preserve for a
28 48 period of three years such books and records as may be
28 49 necessary to determine the amount of the assessment
28 50 for which the pharmacy is liable under this chapter.



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29 1 The department may inspect and copy the books and
29 2 records of a pharmacy for the purpose of auditing
29 3 the calculation of the assessment. All information
29 4 obtained by the department under this subsection is
29 5 confidential and does not constitute a public record.
29 6 5. The department shall collect the assessment
29 7 imposed and shall deposit all revenues collected in
29 8 the pharmacy assessment trust fund created in section
29 9 249N.4.
29 10 6. a. A pharmacy that fails to pay the assessment
29 11 within the time frame specified in this section
29 12 shall pay, in addition to the outstanding assessment,
29 13 a penalty of one and five-tenths percent of the
29 14 assessment amount owed for each month or portion of
29 15 each month that the payment is overdue.
29 16 b. If the assessment has not been received by the
29 17 department by seven days after the last day of the
29 18 month in which the payment is due, the department shall
29 19 withhold an amount equal to the assessment and penalty
29 20 owed from any payment due such pharmacy under the
29 21 medical assistance program.
29 22 c. The assessment imposed under this section
29 23 constitutes a debt due the state and may be collected
29 24 by civil action, including but not limited to the
29 25 filing of tax liens, and any other method provided for
29 26 by law.
29 27 d. Any penalty collected pursuant to this
29 28 subsection shall be credited to the pharmacy assessment
29 29 trust fund.
29 30 7. a. If pharmacies are not reimbursed at the
29 31 reimbursement rates established pursuant to this
29 32 chapter, the department shall terminate the imposition
29 33 of the assessment under this section no later than
29 34 ninety days from the date such reimbursement takes
29 35 effect.
29 36 b. If federal financial participation to match the
29 37 assessments made under this section becomes unavailable
29 38 under federal law, the department shall terminate the
29 39 imposition of the assessments beginning on the date the
29 40 federal statutory, regulatory, or interpretive change
29 41 takes effect.
29 42 Sec. _____. NEW SECTION. 249N.4 Pharmacy assessment
29 43 trust fund.
29 44 1. A pharmacy assessment trust fund is created
29 45 in the state treasury under the authority of the
29 46 department. Moneys received through the collection of
29 47 the pharmacy assessment imposed under this chapter and
29 48 any other moneys specified for deposit in the trust
29 49 fund shall be deposited in the trust fund.
29 50 2. Moneys in the trust fund shall be used, subject



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30 1 to their appropriation by the general assembly, by
30 2 the department only for reimbursement of services for
30 3 which federal financial participation under the medical
30 4 assistance program is available to match state funds.
30 5 3. Beginning July 1, 2011, or the implementation
30 6 date of the pharmacy assessment program as determined
30 7 by receipt of approval from the centers for Medicare
30 8 and Medicaid services of the United States department
30 9 of health and human services, whichever is later,
30 10 moneys that are appropriated from the trust fund for
30 11 reimbursement to pharmacies shall be used to provide
30 12 the following pharmacy reimbursement adjustment
30 13 increases within the parameters specified:
30 14 a. Enhanced generic prescription drug dispensing
30 15 fee. The department shall reimburse pharmacy
30 16 dispensing fees using a rate of four dollars and
30 17 thirty=four cents per prescription plus the enhanced
30 18 generic prescription drug dispensing fee per generic
30 19 prescription.
30 20 b. Enhanced brand name prescription drug dispensing
30 21 fee. The department shall reimburse pharmacy
30 22 dispensing fees using a rate of four dollars and
30 23 thirty=four cents per prescription plus the enhanced
30 24 brand name prescription drug dispensing fee per brand
30 25 name prescription.
30 26 4. Appropriations from the trust fund shall be
30 27 based on the following:
30 28 a. For the fiscal year beginning July 1, 2011,
30 29 fifty=one percent of the moneys in the trust fund shall
30 30 be appropriated for reimbursement to pharmacies.
30 31 b. For the fiscal year beginning July 1, 2012,
30 32 seventy=five percent of the moneys in the trust fund
30 33 shall be appropriated for reimbursement to pharmacies.
30 34 5. Any payments made to pharmacies under this
30 35 section shall result in budget neutrality to the
30 36 general fund of the state.
30 37 6. The trust fund shall be separate from the
30 38 general fund of the state and shall not be considered
30 39 part of the general fund of the state. The moneys
30 40 in the trust fund shall not be considered revenue of
30 41 the state, but rather shall be funds of the pharmacy
30 42 assessment program. The moneys deposited in the
30 43 trust fund are not subject to section 8.33 and shall
30 44 not be transferred, used, obligated, appropriated,
30 45 or otherwise encumbered, except to provide for the
30 46 purposes of this chapter. Notwithstanding section
30 47 12C.7, subsection 2, interest or earnings on moneys
30 48 deposited in the trust fund shall be credited to the
30 49 trust fund.
30 50 7. The department shall adopt rules pursuant



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31 1 to chapter 17A to administer the trust fund and
31 2 reimbursements made from the trust fund.
31 3 8. The department shall report annually to the
31 4 general assembly regarding the use of moneys deposited
31 5 in the trust fund and appropriated to the department.
31 6 Sec. _____. NEW SECTION. 249N.5 REPEAL.
31 7 This chapter is repealed June 30, 2013.
31 8 Sec. _____. DIRECTIVE TO DEPARTMENT OF HUMAN
31 9 SERVICES. Upon enactment of this division of this Act,
31 10 the department of human services shall request any
31 11 medical assistance state plan amendment necessary to
31 12 implement this division of this Act from the centers
31 13 for Medicare and Medicaid services of the United States
31 14 department of health and human services.
31 15 Sec. _____. CONTINGENCY PROVISIONS.
31 16 1. The pharmacy assessment imposed pursuant to this
31 17 division of this Act shall not be imposed retroactively
31 18 prior to July 1, 2011.
31 19 2. The pharmacy assessment shall not be collected
31 20 until the department of human services has received
31 21 approval of the assessment from the centers for
31 22 Medicare and Medicaid services of the United States
31 23 department of health and human services.
31 24 Sec. _____. EFFECTIVE UPON ENACTMENT AND
31 25 APPLICABILITY. This division of this Act, being deemed
31 26 of immediate importance, takes effect upon enactment.
31 27 However, the department of human services shall only
31 28 implement this division of this Act if the department
31 29 receives federal approval of the requests relating to
31 30 the medical assistance state plan amendment necessary
31 31 to implement this division of this Act.>
31 32 #122. Page 83, after line 21 by inserting:
31 33 <DIVISION ____
31 34 BISPHENOL A PROHIBITION
31 35 Sec. _____. NEW SECTION. 135.181 Bisphenol A
31 36 prohibition.
31 37 1. As used in this section, unless the context
31 38 otherwise requires:
31 39 a. "Infant pacifier" means a device designed to be
31 40 bitten or sucked by an infant for the sole purpose of
31 41 soothing or providing comfort to the infant, including
31 42 soothing discomfort caused by teething.
31 43 b. "Reusable beverage container" means a baby bottle
31 44 or spill=proof container primarily intended by the
31 45 manufacturer for use by a child three years of age or
31 46 younger.
31 47 1A. For purposes of this section, "reusable beverage
31 48 container" includes disposable baby bottle liners
31 49 designed to hold liquids in a baby bottle.
31 50 2. Beginning January 1, 2013, a person shall



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32 1 not manufacture, sell, or distribute in commerce in
32 2 this state any infant pacifier or reusable beverage
32 3 container containing bisphenol A. A manufacturer or
32 4 wholesaler who sells or offers for sale in this state a
32 5 reusable beverage container that is intended for retail
32 6 sale shall do all of the following:

32 7 a. Ensure that the container is conspicuously
32 8 labeled as not containing bisphenol A.

32 9 b. Provide the retailer with affirmation that the
32 10 container does not contain bisphenol A.

32 11 3. A manufacturer shall use the least toxic
32 12 alternative when replacing bisphenol A in accordance
32 13 with this section.

32 14 4. In complying with this section, a manufacturer
32 15 shall not replace bisphenol A with a substance rated
32 16 by the United States environmental protection agency
32 17 as a class A, B, or C carcinogen or a substance listed
32 18 on the agency's list of chemicals evaluated for
32 19 carcinogenic potential as known or likely carcinogens,
32 20 known to be human carcinogens, or likely to be human
32 21 carcinogens.

32 22 5. In complying with this section, a manufacturer
32 23 shall not replace bisphenol A with a reproductive
32 24 toxicant that has been identified by the United States
32 25 environmental protection agency as causing birth
32 26 defects, reproductive harm, or developmental harm.

32 27 6. A person who violates this section is subject
32 28 to a civil penalty of five hundred dollars for each
32 29 violation.

32 30 Sec. _____. EFFECTIVE DATE. This division of this
32 31 Act takes effect January 1, 2013.>

32 32 #123. Page 83, after line 21 by inserting:

32 33 <DIVISION _____

32 34 HEALTH INFORMATION TECHNOLOGY

32 35 Sec. _____. NEW SECTION. 135D.1 Findings and intent.

32 36 1. The general assembly finds all of the following:

32 37 a. Technology used to support health-related
32 38 functions is widely known as health information
32 39 technology. Electronic health records are used to
32 40 collect and store relevant patient health information.
32 41 Electronic health records serve as a means of bringing
32 42 evidence-based knowledge resources and patient
32 43 information to the point of care to support better
32 44 decision making and more efficient care processes.

32 45 b. Health information technology allows for
32 46 comprehensive management of health information and its
32 47 secure electronic exchange between providers, public
32 48 health agencies, payers, and consumers. Broad use of
32 49 health information technology should improve health
32 50 care quality and the overall health of the population,



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33 1 increase efficiencies in administrative health care,
33 2 reduce unnecessary health care costs, and help prevent
33 3 medical errors.

33 4 c. Health information technology provides a
33 5 mechanism to transform the delivery of health and
33 6 medical care in Iowa and across the nation.

33 7 2. It is the intent of the general assembly to
33 8 use health information technology as a catalyst
33 9 to achieve a healthier Iowa through the electronic
33 10 sharing of health information. A health information
33 11 network involves sharing health information across the
33 12 boundaries of individual practice and institutional
33 13 health settings and with consumers. The result is a
33 14 public good that will contribute to improved clinical
33 15 outcomes and patient safety, population health, access
33 16 to and quality of health care, and efficiency in health
33 17 care delivery.

33 18 3. It is the intent of the general assembly that
33 19 the health information network shall not constitute a
33 20 health benefit exchange or a health insurance exchange.

33 21 Sec. _____. NEW SECTION. 135D.2 Definitions.

33 22 For the purposes of this chapter, unless the context
33 23 otherwise requires:

33 24 1. "Authorized" means having met the requirements
33 25 as a participant for access to the health information
33 26 network.

33 27 2. "Board" means the board of directors of Iowa
33 28 e=health.

33 29 3. "Consumers" means people who acquire and use
33 30 goods and services for personal need.

33 31 4. "Continuity of care document" means a summary
33 32 of a patient's health information for each visit to a
33 33 provider to be delivered through the health information
33 34 network.

33 35 5. "Department" means the department of public
33 36 health.

33 37 6. "Deputy director" means the deputy director of
33 38 public health.

33 39 7. "Director" means the director of public health.

33 40 8. "Exchange" means the authorized electronic
33 41 sharing of health information between providers,
33 42 payers, consumers, public health agencies, the
33 43 department, and other authorized participants utilizing
33 44 the health information network and health information
33 45 network services.

33 46 9. "Executive director" means the executive director
33 47 of the office of health information technology.

33 48 10. "Health information" means any information,
33 49 in any form or medium, that is created, transmitted,
33 50 or received by a provider, payer, consumer, public



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34 1 health agency, the department, or other authorized
34 2 participant, which relates to the past, present,
34 3 or future physical or mental health or condition of
34 4 an individual; the provision of health care to an
34 5 individual; or the past, present, or future payment for
34 6 the provision of health care to an individual.
34 7 11. "Health information network" means the exclusive
34 8 statewide electronic health information network.
34 9 12. "Health information network services" means
34 10 the exchanging of health information via the health
34 11 information network; education and outreach to
34 12 support connection and access to and use of the health
34 13 information network; and all other activities related
34 14 to the electronic exchange of health information.
34 15 13. "Health Insurance Portability and Accountability
34 16 Act" means the federal Health Insurance Portability
34 17 and Accountability Act of 1996, Pub. L. No. 104=191,
34 18 including amendments thereto and regulations
34 19 promulgated thereunder.
34 20 14. "Infrastructure" means technology including
34 21 architecture, hardware, software, networks, terminology
34 22 and standards, and policies and procedures governing
34 23 the electronic exchange of health information.
34 24 15. "Iowa e=health" means the collaboration
34 25 between the department and other public and private
34 26 stakeholders to establish, operate, and sustain an
34 27 exclusive statewide health information network.
34 28 16. "Iowa Medicaid enterprise" means Iowa medicaid
34 29 enterprise as defined in section 249J.3.
34 30 17. "Local board of health" means a city, county, or
34 31 district board of health.
34 32 18. "Office" means the office of health information
34 33 technology within the department.
34 34 19. "Participant" means an authorized provider,
34 35 payer, patient, public health agency, the department,
34 36 or other authorized person that has voluntarily agreed
34 37 to authorize, submit, access, and disclose health
34 38 information through the health information network in
34 39 accordance with this chapter and all applicable laws,
34 40 rules, agreements, policies, and procedures.
34 41 20. "Participation and data sharing agreement" means
34 42 the agreement outlining the terms of access and use for
34 43 participation in the health information network.
34 44 21. "Patient" means a person who has received or is
34 45 receiving health services from a provider.
34 46 22. "Payer" means a person who makes payments
34 47 for health services, including but not limited to an
34 48 insurance company, self=insured employer, government
34 49 program, individual, or other purchaser that makes such
34 50 payments.



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35 1 23. "Protected health information" means
35 2 individually identifiable patient information,
35 3 including demographic information, related to the past,
35 4 present, or future health or condition of a person;
35 5 the provision of health care to a person; or the past,
35 6 present, or future payment for such health care; which
35 7 is created, transmitted, or received by a participant.
35 8 "Protected health information" does not include
35 9 education and other records that are covered under the
35 10 federal Family Educational Rights and Privacy Act of
35 11 1974, as codified at 20 U.S.C. 1232g, as amended; or
35 12 any employment records maintained by a covered entity,
35 13 as defined under the Health Insurance Portability and
35 14 Accountability Act, in its role as an employer.
35 15 24. "Provider" means a hospital, physician clinic,
35 16 pharmacy, laboratory, health service provider, or
35 17 other person that is licensed, certified, or otherwise
35 18 authorized or permitted by law to administer health
35 19 care in the ordinary course of business or in the
35 20 practice of a profession, or any other person or
35 21 organization that furnishes, bills, or is paid for
35 22 health care in the normal course of business.
35 23 25. "Public health agency" means an entity that is
35 24 governed by or contractually responsible to a local
35 25 board of health or the department to provide services
35 26 focused on the health status of population groups and
35 27 their environments.
35 28 26. "Purchaser" means any individual, employer,
35 29 or organization that purchases health insurance or
35 30 services and includes intermediaries.
35 31 27. "Vendor" means a person or organization that
35 32 provides or proposes to provide goods or services to
35 33 the department pursuant to a contract, but does not
35 34 include an employee of the state, a retailer, or a
35 35 state agency or instrumentality.
35 36 Sec. _____. NEW SECTION. 135D.3 Iowa e=health
35 37 established ==== guiding principles, goals, domains.
35 38 1. Iowa e=health is established as a
35 39 public=private, multi=stakeholder collaborative.
35 40 The purpose of Iowa e=health is to develop, administer,
35 41 and sustain the health information network to improve
35 42 the quality, safety, and efficiency of health care
35 43 available to Iowans.
35 44 2. Iowa e=health shall manage and operate
35 45 the health information network. Nothing in
35 46 this chapter shall be interpreted to impede or
35 47 preclude the formation and operation of regional,
35 48 population=specific, or local health information
35 49 networks or their participation in the health
35 50 information network.



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36 1 3. Iowa e=health shall facilitate the exchange
36 2 of health information for prevention and treatment
36 3 purposes to help providers make the best health care
36 4 decisions for patients and to provide patients with
36 5 continuity of care regardless of the provider the
36 6 patient visits.

36 7 4. The guiding principles of Iowa e=health include
36 8 all of the following:

36 9 a. To engage in a collaborative, public=private,
36 10 multi=stakeholder effort including providers, payers,
36 11 purchasers, governmental entities, educational
36 12 institutions, and consumers.

36 13 b. To create a sustainable health information
36 14 network which makes information available when and
36 15 where it is needed.

36 16 c. To ensure the health information network
36 17 incorporates provider priorities and appropriate
36 18 participant education.

36 19 d. To instill confidence in consumers that their
36 20 health information is secure, private, and accessed
36 21 appropriately.

36 22 e. To build on smart practices and align with
36 23 federal standards to ensure interoperability within and
36 24 beyond the state.

36 25 5. The goals of Iowa e=health include all of the
36 26 following:

36 27 a. To build awareness and trust of health
36 28 information technology through communication and
36 29 outreach to providers and consumers.

36 30 b. To safeguard privacy and security of health
36 31 information shared electronically between participants
36 32 through the health information network so that the
36 33 health information is secure, private, and accessed
36 34 only by authorized individuals and entities.

36 35 c. To promote statewide deployment and use of
36 36 electronic health records.

36 37 d. To enable the electronic exchange of health
36 38 information.

36 39 e. To advance coordination of activities across
36 40 state and federal governments.

36 41 f. To establish a governance model for the health
36 42 information network.

36 43 g. To establish sustainable business and technical
36 44 operations for the health information exchange.

36 45 h. To secure financial resources to develop and
36 46 sustain the health information network.

36 47 i. To monitor and evaluate health information
36 48 technology progress and outcomes.

36 49 6. Iowa e=health shall include the following five
36 50 domains:



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37 1 a. Governance. Iowa e=health shall be governed
37 2 by a board of directors whose members represent
37 3 stakeholders such as provider organizations and
37 4 associations, providers, payers, purchasers,
37 5 governmental entities, business, and consumers. Iowa
37 6 e=health shall be supported by the department's office
37 7 of health information technology. The board shall
37 8 set direction, goals, and policies for Iowa e=health
37 9 and provide oversight of the business and technical
37 10 operations of the health information network and health
37 11 information network services.

37 12 b. Business and technical operations. The office of
37 13 health information technology shall perform day=to=day
37 14 operations to support and advance Iowa e=health, the
37 15 health information network, and health information
37 16 network services.

37 17 c. Finance. Iowa e=health shall identify and
37 18 manage financial resources to achieve short=term and
37 19 long=term sustainability of the health information
37 20 network. The health information network shall be
37 21 financed by participants based on a business model and
37 22 financial sustainability plan approved by the board
37 23 no later than December 31, 2011, and submitted to the
37 24 governor and the general assembly. The model and plan
37 25 may contemplate participant fees based on value=based
37 26 principles. Fees shall not be assessed to participants
37 27 prior to approval by the board and an enactment of the
37 28 general assembly establishing such fees.

37 29 d. Technical infrastructure. Iowa e=health shall
37 30 implement and manage the core infrastructure and
37 31 standards to enable the safe and secure delivery of
37 32 health information to providers and consumers through
37 33 the health information network.

37 34 e. Legal and policy. Iowa e=health shall establish
37 35 privacy and security policies and guidelines, and
37 36 participation and data sharing agreements, to protect
37 37 consumers and enforce rules for utilization of the
37 38 health information network.

37 39 Sec. _____. NEW SECTION. 135D.4 Governance ==== board
37 40 of directors ==== advisory council.

37 41 1. Iowa e=health shall be governed by a board of
37 42 directors. Board members shall be residents of the
37 43 state of Iowa. The membership of the board shall
37 44 comply with sections 69.16 and 69.16A.

37 45 2. The board of directors shall be comprised of the
37 46 following members:

37 47 a. The board shall include all of the following as
37 48 voting members:

37 49 (1) Two members who represent the Iowa
37 50 collaborative safety net provider network created in



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38 1 section 135.153, designated by the network.
38 2 (2) Four members who represent hospitals, two of
38 3 whom are designated by the two largest health care
38 4 systems in the state, one of whom is designated by the
38 5 university of Iowa hospitals and clinics, and one of
38 6 whom is designated by the Iowa hospital association to
38 7 represent critical access hospitals.
38 8 (3) Two members who represent two different private
38 9 health insurance carriers, designated by the federation
38 10 of Iowa insurers, one of which has the largest health
38 11 market share in Iowa.
38 12 (4) One member who is a licensed physician,
38 13 designated by the Iowa medical society.
38 14 (5) One member representing the department who is
38 15 designated by the department.
38 16 (6) One member representing the Iowa Medicaid
38 17 enterprise who is the Iowa Medicaid director, or the
38 18 director's designee.
38 19 b. The board shall include as ex officio,
38 20 nonvoting members four members of the general
38 21 assembly, one appointed by the speaker of the house of
38 22 representatives, one appointed by the minority leader
38 23 of the house of representatives, one appointed by the
38 24 majority leader of the senate, and one appointed by the
38 25 minority leader of the senate.
38 26 3. A person shall not serve on the board in any
38 27 capacity if the person is required to register as a
38 28 lobbyist under section 68B.36 because of the person's
38 29 activities for compensation on behalf of a profession
38 30 or an entity that is engaged in providing health care,
38 31 reviewing or analyzing health care, paying for health
38 32 care services or procedures, or providing health
38 33 information technology or health information network
38 34 services.
38 35 4. a. Board members shall serve four-year terms
38 36 but shall not serve more than two consecutive four-year
38 37 terms. However, the board members who represent state
38 38 agencies are not subject to term limits.
38 39 b. At the end of any term, a member of the
38 40 board may continue to serve until the appointing or
38 41 designating authority names a successor.
38 42 c. A vacancy on the board shall be filled for the
38 43 remainder of the term in the manner of the original
38 44 appointment. A vacancy in the membership of the board
38 45 shall not impair the right of the remaining members to
38 46 exercise all the powers and perform all the duties of
38 47 the board.
38 48 d. A board member may be removed by the board for
38 49 cause including but not limited to malfeasance in
38 50 office, failure to attend board meetings, misconduct,



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39 1 or violation of ethical rules and standards.
39 2 Nonattendance of the board members appointed by the
39 3 governor shall be governed by the provisions of section
39 4 69.15. A board member may be removed by a vote of the
39 5 board if, based on the criteria provided in section
39 6 69.15, subsection 1, paragraphs "a" and "b", the board
39 7 member would be deemed to have submitted a resignation
39 8 from the board.
39 9 e. The board members shall elect a chairperson from
39 10 their membership. The department's designee shall
39 11 serve as vice chairperson.
39 12 5. Meetings of the board shall be governed by the
39 13 provisions of chapter 21.
39 14 a. The board shall meet upon the call of the
39 15 chairperson or the vice chairperson. Notice of the
39 16 time and place of each board meeting shall be given
39 17 to each member. The board shall keep accurate and
39 18 complete records of all of its meetings.
39 19 b. A simple majority of the members shall
39 20 constitute a quorum to enable the transaction of any
39 21 business and for the exercise of any power or function
39 22 of the board. Action may be taken and motions and
39 23 resolutions adopted by the affirmative vote of a
39 24 majority of the members attending the meeting whether
39 25 in person, by telephone, web conference, or other
39 26 means. A board member shall not vote by proxy or
39 27 through a delegate.
39 28 c. Public members of the board shall receive
39 29 reimbursement for actual expenses incurred while
39 30 serving in their official capacity, only if they are
39 31 not eligible for reimbursement by the organization that
39 32 they represent. A person who serves as a member of
39 33 the board shall not by reason of such membership be
39 34 entitled to membership in the Iowa public employees'
39 35 retirement system or service credit for any public
39 36 retirement system.
39 37 6. The board may exercise its powers, duties,
39 38 and functions as provided in this chapter and as
39 39 prescribed by law. The director and the board shall
39 40 ensure that matters under the purview of the board
39 41 are carried out in a manner that does not violate or
39 42 risk violation of applicable state or federal laws or
39 43 regulations, and that supports overriding public policy
39 44 and public safety concerns, fiscal compliance, and
39 45 compliance with the office of the national coordinator
39 46 for health information technology state health
39 47 information exchange cooperative agreement program or
39 48 any other cooperative agreement programs or grants
39 49 supporting Iowa e=health. The board shall do all of
39 50 the following:



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40 1 a. Participate in the selection of the executive
40 2 director and assist in the development of performance
40 3 standards and evaluations of the executive director.
40 4 b. Establish priorities among health information
40 5 network services based on the needs of the population
40 6 of this state.
40 7 c. Oversee the handling and accounting of assets
40 8 and moneys received for or generated by the health
40 9 information network.
40 10 d. Establish committees and workgroups as needed.
40 11 e. Review and approve or disapprove all of the
40 12 following, as proposed by the department:
40 13 (1) Strategic, operational, and financial
40 14 sustainability plans for Iowa e=health, the health
40 15 information network, and health information network
40 16 services.
40 17 (2) Standards, requirements, policies, and
40 18 procedures for access, use, secondary use, and privacy
40 19 and security of health information network through the
40 20 health information exchange, consistent with applicable
40 21 federal and state standards and laws.
40 22 (3) Policies and procedures for administering the
40 23 infrastructure, technology, and associated professional
40 24 services necessary for the business and technical
40 25 operation of the health information network and health
40 26 information network services.
40 27 (4) Policies and procedures for evaluation of the
40 28 health information network and health information
40 29 network services.
40 30 (5) Mechanisms for periodic review and update of
40 31 policies and procedures.
40 32 (6) An annual budget and fiscal report for the
40 33 operations of the health information network and an
40 34 annual report for Iowa e=health and health information
40 35 network services.
40 36 (7) Major purchases of goods and services.
40 37 f. Adopt administrative rules pursuant to chapter
40 38 17A to implement this chapter and relating to the
40 39 management and operation of the health information
40 40 network and health information network services.
40 41 g. Adopt rules for monitoring access to and use
40 42 of the health information network and enforcement
40 43 of health information network rules, standards,
40 44 requirements, policies, and procedures. The board
40 45 may suspend, limit, or terminate a participant's
40 46 utilization of the health information network for
40 47 violation of such rules, standards, requirements,
40 48 policies, or procedures, and shall establish, by rule,
40 49 a process for notification, right to respond, and
40 50 appeal relative to such violations.



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41 1 h. Have all remedies allowed by law to address any
41 2 violation of the terms of the participation and data
41 3 sharing agreement.
41 4 i. Perform any and all other activities in
41 5 furtherance of its purpose.
41 6 7. a. A board member is subject to chapter 68B,
41 7 the rules adopted by the Iowa ethics and campaign
41 8 disclosure board, and the ethics rules and requirements
41 9 that apply to the executive branch of state government.
41 10 b. A board member shall not participate in any
41 11 matter before the board in which the board member
41 12 has a direct or indirect interest in an undertaking
41 13 that places the board member's personal or business
41 14 interests in conflict with those of Iowa e=health,
41 15 including but not limited to an interest in a
41 16 procurement contract, or that may create the appearance
41 17 of impropriety.
41 18 8. Advisory council.
41 19 a. An advisory council to the board is established
41 20 to provide an additional mechanism for obtaining
41 21 broader stakeholder advice and input regarding health
41 22 information technology, the health information network,
41 23 and health information network services.
41 24 b. The advisory council shall be comprised of the
41 25 following members who shall serve two=year staggered
41 26 terms:
41 27 (1) The following members designated as specified:
41 28 (a) One member who is a licensed practicing nurse
41 29 in an office or clinic setting, designated by the Iowa
41 30 nurses association.
41 31 (b) One member representing licensed pharmacists,
41 32 designated by the Iowa pharmacy association.
41 33 (c) One member representing the Iowa healthcare
41 34 collaborative, designated by the collaborative.
41 35 (d) One member representing substance abuse
41 36 programs, designated by the Iowa behavioral health
41 37 association.
41 38 (e) One member representing community mental
41 39 health centers, designated by the Iowa association of
41 40 community providers.
41 41 (f) One member representing long=term care
41 42 providers, designated by the Iowa health care
41 43 association/Iowa center for assisted living and the
41 44 Iowa association of homes and services for the aging.
41 45 (g) One member representing licensed physicians,
41 46 designated by the Iowa academy of family physicians.
41 47 (h) One member representing chiropractors,
41 48 designated by the Iowa chiropractic society.
41 49 (i) One member who is a practicing physician in
41 50 an office or clinic setting, designated by the Iowa



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42 1 osteopathic medical association.
42 2 (j) One member representing business interests,
42 3 designated by the Iowa association of business and
42 4 industry.
42 5 (2) The following members appointed by the board:
42 6 (a) One member representing the state board of
42 7 health.
42 8 (b) One member representing academics.
42 9 (c) One member representing the Iowa Medicare
42 10 quality improvement organization.
42 11 (d) One member who is the state chief information
42 12 officer.
42 13 (e) One member representing the private
42 14 telecommunications industry.
42 15 (f) One member representing Des Moines university.
42 16 (g) One member representing home health care
42 17 providers.
42 18 (h) One member representing the department of
42 19 veterans affairs.
42 20 c. The board may change the membership and the
42 21 composition of the advisory council, by rule, to
42 22 accommodate changes in stakeholder interests and the
42 23 evolution of health information technology, the health
42 24 information network, and health information network
42 25 services. An advisory council member may be removed by
42 26 a vote of the board if, based on the criteria provided
42 27 in section 69.15, subsection 1, paragraphs "a" and "b",
42 28 the advisory council member would be deemed to have
42 29 submitted a resignation from the advisory council.
42 30 Sec. _____. NEW SECTION. 135D.5 Business and
42 31 technical operations ==== office of health information
42 32 technology.
42 33 1. The office of health information technology
42 34 is established within the department and shall be
42 35 responsible for the day-to-day business and operations
42 36 of Iowa e=health, the health information network, and
42 37 health information network services. The office shall
42 38 be under the direction of the director and under the
42 39 supervision of the deputy director.
42 40 2. a. The department shall employ an executive
42 41 director to manage the office and the executive
42 42 director shall report to the deputy director.
42 43 b. The executive director shall manage the planning
42 44 and implementation of Iowa e=health, the health
42 45 information network, and health information network
42 46 services, and shall provide high-level coordination
42 47 across public and private sector stakeholders.
42 48 c. The executive director shall serve as Iowa's
42 49 health information technology coordinator and primary
42 50 point of contact for the office of the national



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43 1 coordinator for health information technology,
43 2 other federal and state agencies involved in health
43 3 information technology, and state health information
43 4 technology coordinators from other states.
43 5 3. a. The executive director and all other
43 6 employees of the office shall be employees of the
43 7 state, classified and compensated in accordance with
43 8 chapter 8A, subchapter IV, and chapter 20.
43 9 b. Subject to approval of the board, the director
43 10 shall have the sole power to determine the number of
43 11 full-time and part-time equivalent positions necessary
43 12 to carry out the provisions of this chapter.
43 13 c. An employee of the office shall not have a
43 14 financial interest in any vendor doing business or
43 15 proposing to do business with Iowa e=health.
43 16 4. The department shall do all of the following:
43 17 a. Develop, implement, and enforce the following,
43 18 as approved by the board:
43 19 (1) Strategic, operational, and financial
43 20 sustainability plans for the health information
43 21 network, Iowa e=health, and health information network
43 22 services.
43 23 (2) Standards, requirements, policies, and
43 24 procedures for access, use, secondary use, and privacy
43 25 and security of health information exchanged through
43 26 the health information network, consistent with
43 27 applicable federal and state standards and laws.
43 28 (3) Policies and procedures for monitoring
43 29 participant usage of the health information network
43 30 and health information network services; enforcing
43 31 noncompliance with health information network
43 32 standards, requirements, policies, rules, and
43 33 procedures.
43 34 (4) Policies and procedures for administering
43 35 the infrastructure, technology, and associated
43 36 professional services required for operation of the
43 37 health information network and health information
43 38 network services.
43 39 (5) Policies and procedures for evaluation of the
43 40 health information network and health information
43 41 network services.
43 42 (6) A mechanism for periodic review and update of
43 43 policies and procedures.
43 44 (7) An annual budget and fiscal report for the
43 45 business and technical operations of the health
43 46 information network and an annual report for Iowa
43 47 e=health, the health information network, and health
43 48 information network services. The department shall
43 49 submit all such reports to the general assembly.
43 50 b. Convene and facilitate board, advisory council,



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44 1 workgroup, committee, and other stakeholder meetings.
44 2 c. Provide technical and operational assistance for
44 3 planning and implementing Iowa e=health activities,
44 4 the health information network, and health information
44 5 network services.
44 6 d. Provide human resource, budgeting, project and
44 7 activity coordination, and related management functions
44 8 to Iowa e=health, the health information network, and
44 9 health information network services.
44 10 e. Develop educational materials and educate the
44 11 general public on the benefits of electronic health
44 12 records, the health information network, and the
44 13 safeguards available to prevent unauthorized disclosure
44 14 of health information.
44 15 f. Enter into participation and data sharing
44 16 agreements with participants of the health information
44 17 network.
44 18 g. Record receipts and approval of payments, and
44 19 file required financial reports.
44 20 h. Apply for, acquire by gift or purchase, and
44 21 hold, dispense, or dispose of funds and real or
44 22 personal property from any person, governmental entity,
44 23 or organization in the exercise of its powers and
44 24 performance of its duties in accordance with this
44 25 chapter.
44 26 i. Administer grant funds in accordance with the
44 27 terms of the grant and all applicable state and federal
44 28 laws, rules, and regulations.
44 29 j. Select and contract with vendors in compliance
44 30 with applicable state and federal procurement laws and
44 31 regulations.
44 32 k. Coordinate with other health information
44 33 technology and health information network programs and
44 34 activities.
44 35 l. Work to align interstate and intrastate
44 36 interoperability and standards in accordance with
44 37 national health information exchange standards.
44 38 m. Execute all instruments necessary or incidental
44 39 to the performance of its duties and the execution of
44 40 its powers.
44 41 Sec. _____. NEW SECTION. 135D.6 Iowa e=health
44 42 finance fund.
44 43 1. The Iowa e=health finance fund is created as
44 44 a separate fund within the state treasury under the
44 45 control of the board. Revenues, donations, gifts,
44 46 interest, or other moneys received or generated
44 47 relative to the operation and administration of the
44 48 health information network and health information
44 49 network services, shall be deposited in the fund.
44 50 2. Moneys in the fund shall be expended by



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45 1 the department only on activities and operations
45 2 suitable to the performance of the department's
45 3 duties on behalf of the board and Iowa e=health as
45 4 specified in this chapter, subject to board approval.
45 5 Disbursements may be made from the fund for purposes
45 6 related to the administration, management, operations,
45 7 functions, activities, and sustainability of the health
45 8 information network and health information network
45 9 services.

45 10 3. Notwithstanding section 12C.7, subsection 2,
45 11 earnings or interest on moneys deposited in the fund
45 12 shall be credited to the fund. Notwithstanding section
45 13 8.33, any unexpended balance in the fund at the end
45 14 of each fiscal year shall be retained in the fund and
45 15 shall not be transferred to the general fund of the
45 16 state.

45 17 4. The moneys in the fund shall be subject to
45 18 financial and compliance audits by the auditor of
45 19 state.

45 20 5. The general assembly may appropriate moneys
45 21 in the fund to the department on behalf of Iowa
45 22 e=health for the health information network and health
45 23 information network services.

45 24 Sec. _____. NEW SECTION. 135D.7 Technical
45 25 infrastructure.

45 26 1. The health information network shall provide
45 27 a mechanism to facilitate and support the secure
45 28 electronic exchange of health information between
45 29 participants. The health information network shall
45 30 not function as a central repository of all health
45 31 information.

45 32 2. The health information network shall provide a
45 33 mechanism for participants without an electronic health
45 34 record system to access health information from the
45 35 health information network.

45 36 3. The technical infrastructure of the health
45 37 information network shall be designed to facilitate
45 38 the secure electronic exchange of health information
45 39 using functions including but not limited to all of the
45 40 following:

45 41 a. A master patient index, in the absence of a
45 42 single, standardized patient identifier, to exchange
45 43 secure health information among participants.

45 44 b. A record locator service to locate and exchange
45 45 secure health information among participants.

45 46 c. Authorization, authentication, access, and
45 47 auditing processes for security controls to protect
45 48 the privacy of consumers and participants and the
45 49 confidentiality of health information by limiting
45 50 access to the health information network and health



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46 1 information to participants whose identity has been
46 2 authenticated, and whose access to health information
46 3 is limited by their role and recorded through an audit
46 4 trail.

46 5 d. Electronic transmission procedures and software
46 6 necessary to facilitate the electronic exchange of
46 7 various types of health information through the health
46 8 information network.

46 9 e. Telecommunications through coordination of
46 10 public and private networks to provide the backbone
46 11 infrastructure to connect participants exchanging
46 12 health information. The networks may include but
46 13 are not limited to the state-owned communications
46 14 network, other fiber optic networks, and private
46 15 telecommunications service providers.

46 16 4. The state shall own or possess the rights
46 17 to use all processes and software developed, and
46 18 hardware installed, leased, designed, or purchased
46 19 for the health information network, and shall permit
46 20 participants to use the health information network
46 21 and health information network services in accordance
46 22 with the standards, policies, procedures, rules, and
46 23 regulations approved by the board, and the terms of the
46 24 participation and data sharing agreement.

46 25 Sec. _____. NEW SECTION. 135D.8 Legal and policy.

46 26 1. Upon approval from the board, the office
46 27 of health information technology shall establish
46 28 appropriate security standards, policies, and
46 29 procedures to protect the transmission and receipt of
46 30 individually identifiable health information exchanged
46 31 through the health information network. The security
46 32 standards, policies, and procedures shall, at a
46 33 minimum, comply with the Health Insurance Portability
46 34 and Accountability Act security rule pursuant to 45
46 35 C.F.R. pt. 164, subpt. C, and shall reflect all of the
46 36 following:

46 37 a. Include authorization controls, including the
46 38 responsibility to authorize, maintain, and terminate a
46 39 participant's use of the health information network.

46 40 b. Require authentication controls to verify the
46 41 identity and role of the participant using the health
46 42 information network.

46 43 c. Include role-based access controls to restrict
46 44 functionality and information available through the
46 45 health information network.

46 46 d. Include a secure and traceable electronic audit
46 47 system to document and monitor the sender and the
46 48 recipient of health information exchanged through the
46 49 health information network.

46 50 e. Require standard participation and data sharing



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47 1 agreements which define the minimum privacy and
47 2 security obligations of all participants using the
47 3 health information network and health information
47 4 network services.

47 5 f. Include controls over access to and the
47 6 collection, organization, and maintenance of records
47 7 and data for purposes of research or population health
47 8 that protect the confidentiality of consumers who are
47 9 the subject of the health information.

47 10 2. a. A patient shall have the opportunity to
47 11 decline exchange of their health information through
47 12 the health information network. The board shall
47 13 provide by rule the means and process by which patients
47 14 may decline participation. A patient shall not be
47 15 denied care or treatment for declining to exchange
47 16 their health information, in whole or in part, through
47 17 the health information network. The means and process
47 18 utilized under the rules shall minimize the burden on
47 19 patients and providers.

47 20 b. Unless otherwise authorized by law or rule,
47 21 a patient's decision to decline participation means
47 22 that none of the patient's health information shall be
47 23 exchanged through the health information network. If a
47 24 patient does not decline participation, the patient's
47 25 health information may be exchanged through the health
47 26 information network except as follows:

47 27 (1) If health information associated with a patient
47 28 visit with a provider is protected by state law that is
47 29 more restrictive than the Health Insurance Portability
47 30 and Accountability Act, a patient shall have the right
47 31 to decline sharing of health information through the
47 32 health information network from such visit as provided
47 33 by rule.

47 34 (2) With the consent of the patient, a provider
47 35 may limit health information associated with a patient
47 36 visit from being shared through the health information
47 37 network if such limitation is reasonably determined
47 38 by the provider, in consultation with the patient, to
47 39 be in the best interest of the patient as provided by
47 40 rule.

47 41 c. A patient who declines participation in the
47 42 health information network may later decide to
47 43 have health information shared through the health
47 44 information network. A patient who is participating
47 45 in the health information network may later decline
47 46 participation in the health information network.

47 47 3. The office shall develop and distribute
47 48 educational tools and information for consumers,
47 49 patients, and providers to inform them about the health
47 50 information network, including but not limited to the



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48 1 safeguards available to prevent unauthorized disclosure
48 2 of health information and a patient's right to decline
48 3 participation in the health information network.
48 4 4. a. A participant shall not release or use
48 5 protected health information exchanged through the
48 6 health information network for purposes unrelated
48 7 to prevention, treatment, payment, or health care
48 8 operations unless otherwise authorized or required by
48 9 law. Participants shall limit the use and disclosure
48 10 of protected health information to the minimum amount
48 11 required to accomplish the intended purpose of the use
48 12 or request, in compliance with the Health Insurance
48 13 Portability and Accountability Act and other applicable
48 14 federal law. Use or distribution of the information
48 15 for a marketing purpose, as defined by the Health
48 16 Insurance Portability and Accountability Act, is
48 17 strictly prohibited.
48 18 b. The department, the office, and all persons
48 19 using the health information network shall be
48 20 individually responsible for following breach
48 21 notification policies as provided by the Health
48 22 Insurance Portability and Accountability Act.
48 23 c. A participant shall not be compelled by
48 24 subpoena, court order, or other process of law
48 25 to access health information through the health
48 26 information network in order to gather records or
48 27 information not created by the participant.
48 28 5. a. If a patient has declined participation in
48 29 the health information network, the patient's health
48 30 information may be released to a provider through the
48 31 health information network if all of the following
48 32 circumstances exist:
48 33 (1) The patient is unable to provide consent due to
48 34 incapacitation.
48 35 (2) The requesting provider believes, in good
48 36 faith, that the information is necessary to prevent
48 37 imminent serious injury to the patient. Imminent
48 38 serious injury includes but it not limited to death,
48 39 injury or disease that creates a substantial risk of
48 40 death, or injury or disease that causes protracted loss
48 41 or impairment of any organ or body system.
48 42 (3) Such information cannot otherwise be readily
48 43 obtained.
48 44 b. The department shall provide by rule for the
48 45 reporting of emergency access and use by a provider.
48 46 6. All participants exchanging health information
48 47 and data through the health information network
48 48 shall grant to participants of the health information
48 49 network a nonexclusive license to retrieve and use that
48 50 information or data in accordance with applicable state



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49 1 and federal laws, and the policies, procedures, and
49 2 rules established by the board.
49 3 7. The department shall establish by rule the
49 4 procedures for a patient who is the subject of health
49 5 information to do all of the following:
49 6 a. Receive notice of a violation of the
49 7 confidentiality provisions required under this chapter.
49 8 b. Upon request to the department, view an audit
49 9 report created under this chapter for the purpose of
49 10 monitoring access to the patient's records.
49 11 8. a. A provider who relies reasonably and in
49 12 good faith upon any health information provided
49 13 through the health information network in treatment
49 14 of a patient shall be immune from criminal or civil
49 15 liability arising from any damages caused by such
49 16 reasonable, good faith reliance. Such immunity shall
49 17 not apply to acts or omissions constituting negligence,
49 18 recklessness, or intentional misconduct.
49 19 b. A participant that has disclosed health
49 20 information through the health information network
49 21 in compliance with applicable law and the standards,
49 22 requirements, policies, procedures, and agreements of
49 23 the health information network shall not be subject to
49 24 criminal or civil liability for the use or disclosure
49 25 of the health information by another participant.
49 26 9. a. Notwithstanding chapter 22, the following
49 27 records shall be kept confidential, unless otherwise
49 28 ordered by a court or consented to by the patient or by
49 29 a person duly authorized to release such information:
49 30 (1) The protected health information contained in,
49 31 stored in, submitted to, transferred or exchanged by,
49 32 or released from the health information network.
49 33 (2) Any protected health information in the
49 34 possession of Iowa e=health or the department due to
49 35 its administration of the health information network.
49 36 b. Unless otherwise provided in this chapter, when
49 37 using the health information network for the purpose of
49 38 patient treatment, a provider is exempt from any other
49 39 state law that is more restrictive than the Health
49 40 Insurance Portability and Accountability Act that would
49 41 otherwise prevent or hinder the exchange of patient
49 42 information by the patient's providers.
49 43 Sec. _____. NEW SECTION. 135D.9 Iowa e=health ====
49 44 health information network services.
49 45 Iowa e=health shall facilitate services through
49 46 the health information network or through other
49 47 marketplace mechanisms to improve the quality, safety,
49 48 and efficiency of health care available to consumers.
49 49 These services shall include but are not limited to all
49 50 of the following:



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50 1 1. Patient summary records such as continuity of
50 2 care documents.
50 3 2. A provider directory and provider messaging.
50 4 3. Clinical orders and results.
50 5 4. Public health reporting such as electronic
50 6 reporting to the statewide immunization registry and
50 7 reportable diseases.
50 8 5. Medication history.
50 9 Sec. _____. NEW SECTION. 135D.10 Governance review
50 10 and transition.
50 11 1. a. The Iowa e=health governance structure
50 12 shall continue during the first two years of the term
50 13 of the state health information exchange cooperative
50 14 agreement with the office of the national coordinator
50 15 for health information technology to address the
50 16 development of policies and procedures; dissemination
50 17 of interoperability standards; the initiation, testing,
50 18 and operation of the health information network
50 19 infrastructure; and the evolution of health information
50 20 network services to improve patient care for the
50 21 population.
50 22 b. Following the end of the first two years of the
50 23 term of the cooperative agreement, the board and the
50 24 department shall review the Iowa e=health governance
50 25 structure, operations of the health information
50 26 network, and the business and sustainability plan to
50 27 determine if the existing Iowa e=health governance
50 28 structure should continue or should be replaced by any
50 29 of the following:
50 30 (1) A public authority or similar body with broad
50 31 stakeholder representation on its governing board.
50 32 (2) A not=for=profit entity with broad stakeholder
50 33 representation on its governing board.
50 34 2. If the board and department determine that the
50 35 governance structure should be replaced, Iowa e=health
50 36 shall develop a transition plan to transfer the
50 37 responsibilities for the domains specified in section
50 38 135D.3.
50 39 Sec. _____. Section 136.3, subsection 14, Code 2011,
50 40 is amended to read as follows:
50 41 14. Perform those duties authorized pursuant to
50 42 sections ~~135.156~~, 135.159~~7~~, and 135.161, and other
50 43 provisions of law.
50 44 Sec. _____. Section 249J.14, subsection 2, paragraphs
50 45 a and b, Code 2011, are amended to read as follows:
50 46 a. Design and implement a program for distribution
50 47 and monitoring of provider incentive payments,
50 48 including development of a definition of "meaningful
50 49 use" for purposes of promoting the use of electronic
50 50 medical recordkeeping by providers. The department



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Senate Amendment 3293 continued

51 1 shall develop this program in collaboration with the
51 2 department of public health and the ~~electronic health~~
~~51 3 information advisory council and executive committee~~
~~51 4 board of directors and the advisory council to the~~
51 5 board of Iowa e=health created pursuant to section
51 6 ~~135.156~~ 135D.4.
51 7 b. Develop the medical assistance health
51 8 information technology plan as required by the centers
51 9 for Medicare and Medicaid services of the United
51 10 States department of health and human services. The
51 11 plan shall provide detailed implementation plans for
51 12 the medical assistance program for promotion of the
51 13 adoption and meaningful use of health information
51 14 technology by medical assistance providers and the
51 15 Iowa Medicaid enterprise. The plan shall include the
51 16 integration of health information technology and the
51 17 health information ~~exchange network~~ with the medical
51 18 assistance management information system. The plan
51 19 shall be developed in collaboration with the department
51 20 of public health and the ~~electronic health information~~
~~51 21 advisory council and executive committee board of~~
~~51 22 directors and the advisory council to the board of Iowa~~
51 23 e=health created pursuant to section ~~135.156~~ 135D.4.
51 24 Sec. _____. INITIAL APPOINTMENTS ==== BOARD.
51 25 1. The initial appointments of board member
51 26 positions described in section 135D.4, as enacted by
51 27 this division of this Act, shall have staggered terms
51 28 as follows:
51 29 a. The board members appointed by the governor
51 30 shall have initial terms of two years, after which the
51 31 members shall serve four=year terms, subject to the
51 32 following:
51 33 (1) The terms shall begin and end as provided in
51 34 section 69.19.
51 35 (2) Any board member appointed by the governor when
51 36 the senate is not in session shall serve only until
51 37 the end of the next regular session of the general
51 38 assembly, unless and until confirmed by the senate.
51 39 b. The board member designated by the Iowa medical
51 40 society shall have an initial term of two years, after
51 41 which the member shall serve a four=year term.
51 42 c. The board members designated by the university
51 43 of Iowa hospitals and clinics and the Iowa hospital
51 44 association shall have initial terms of four years,
51 45 after which the members shall serve four=year terms.
51 46 d. The board members designated by the federation
51 47 of Iowa insurers shall serve initial terms of six
51 48 years, after which the members shall serve four=year
51 49 terms.
51 50 2. With the exception of board members who are



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52 1 representative of state agencies and not subject
52 2 to term limits as provided in section 135D.4, board
52 3 members may serve an additional four=year term,
52 4 with the exception of those board members initially
52 5 serving a two=year term, who may serve two consecutive
52 6 four=year terms following the initial two=year term.
52 7 Sec. _____. REPEAL. Sections 135.154, 135.155, and
52 8 135.156, Code 2011, are repealed.
52 9 Sec. _____. TRANSITION PROVISIONS. Notwithstanding
52 10 any other provision of this division of this Act,
52 11 the department of public health, and the executive
52 12 committee and the advisory council created pursuant to
52 13 section 135.156, shall continue to exercise the powers
52 14 and duties specified under that section until such time
52 15 as all board members have been appointed as provided
52 16 in section 135D.4, as enacted by this division of this
52 17 Act.
52 18 Sec. _____. EFFECTIVE DATE. The sections of this
52 19 division of this Act repealing sections 135.154,
52 20 135.155, and 135.156, and amending sections 136.3 and
52 21 249J.14, take effect on the date all board members are
52 22 appointed as provided in section 135D.4, as enacted by
52 23 this division of this Act. The department of public
52 24 health shall notify the Code editor of such date.
52 25 Sec. _____. EFFECTIVE UPON ENACTMENT. Except as
52 26 otherwise provided in this division of this Act,
52 27 this division of this Act, being deemed of immediate
52 28 importance, takes effect upon enactment.>
52 29 #124. By striking page 83, line 22, through page
52 30 150, line 23.
52 31 #125. Title page, line 3, after <appropriations> by
52 32 inserting <, providing penalties,>
52 33 #126. By renumbering as necessary.

COMMITTEE ON APPROPRIATIONS
ROBERT E. DVORSKY, CHAIRPERSON
HF649.2839 (1) 84
pf/jp



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Senate Amendment 3294

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1 1 Amend the amendment, S=3287, to House File 645,
1 2 as amended, passed, and reprinted by the House, as
1 3 follows:
1 4 #1. Page 8, by striking lines 11 through 18.
1 5 #2. Page 14, line 19, after <23.> by inserting <a.>
1 6 #3. Page 14, line 26, by striking <a.> and inserting
1 7 <(1)>
1 8 #4. Page 14, line 27, after <who> by inserting <is
1 9 permanently and totally disabled and who>
1 10 #5. Page 14, line 33, by striking <b.> and inserting
1 11 <(2)>
1 12 #6. Page 14, line 34, after <who> by inserting <is
1 13 permanently and totally disabled and who>
1 14 #7. Page 14, after line 38 by inserting:
1 15 <(3) Is the child of a sheriff or deputy sheriff,
1 16 as defined in section 97B.49C, who is permanently
1 17 and totally disabled and who receives an in=service
1 18 disability retirement allowance under section 97B.50A,
1 19 or is killed in the line of duty as determined by the
1 20 Iowa public employees' retirement system in accordance
1 21 with section 97B.52, subsection 2.
1 22 b. For purposes of this subsection, "permanently
1 23 and totally disabled" means the individual is unable to
1 24 engage in any substantial gainful activity by reason of
1 25 a medically determinable physical or mental impairment
1 26 which can be expected to last for a continuous period
1 27 of twelve months or more or can be expected to result
1 28 in death. A certificate from a qualified physician
1 29 attesting to the individual's permanent and total
1 30 disability must be submitted with the waiver request
1 31 submitted pursuant to this subsection. The certificate
1 32 must include the name and address of the physician and
1 33 contain an acknowledgment that the certificate will
1 34 be used by the individual to request a tuition and
1 35 mandatory fee waiver for the individual's child.>
1 36 #8. Page 19, line 7, after <36.> by inserting <a.>
1 37 #9. Page 19, line 16, by striking <a.> and inserting
1 38 <(1)>
1 39 #10. Page 19, line 17, after <who> by inserting <is
1 40 permanently and totally disabled and who>
1 41 #11. Page 19, line 23, by striking <b.> and
1 42 inserting <(2)>
1 43 #12. Page 19, line 24, after <who> by inserting <is
1 44 permanently and totally disabled and who>
1 45 #13. Page 19, after line 28 by inserting:
1 46 <(3) Is the child of a sheriff or deputy sheriff,
1 47 as defined in section 97B.49C, who is permanently
1 48 and totally disabled and who receives an in=service
1 49 disability retirement allowance under section 97B.50A,
1 50 or is killed in the line of duty as determined by the



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2 1 Iowa public employees' retirement system in accordance
2 2 with section 97B.52, subsection 2.
2 3 b. For purposes of this subsection, "permanently
2 4 and totally disabled" means the individual is unable to
2 5 engage in any substantial gainful activity by reason of
2 6 a medically determinable physical or mental impairment
2 7 which can be expected to last for a continuous period
2 8 of twelve months or more or can be expected to result
2 9 in death. A certificate from a qualified physician
2 10 attesting to the individual's permanent and total
2 11 disability must be submitted with the waiver request
2 12 submitted pursuant to this subsection. The certificate
2 13 must include the name and address of the physician and
2 14 contain an acknowledgment that the certificate will
2 15 be used by the individual to request a tuition and
2 16 mandatory fee waiver for the individual's child.>
2 17 #14. Page 21, line 15, by striking <and>
2 18 #15. Page 21, line 18, by striking <six hundred
2 19 thirty=eight> and inserting <four hundred eight>
2 20 #16. Page 24, by striking lines 41 and 42 and
2 21 inserting <section of this division>
2 22 #17. Page 24, line 44, by striking <take effect on
2 23 July 1, 2012, and are> and inserting <takes effect July
2 24 1, 2012, and is>
2 25 #18. Page 36, line 44, by striking <economic
2 26 development> and inserting <education>
2 27 #19. Page 36, line 46, by striking <education> and
2 28 inserting <economic development>
2 29 #20. Page 37, line 15, by striking <economic
2 30 development> and inserting <education>
2 31 #21. Page 37, line 16, by striking <education> and
2 32 inserting <economic development>
2 33 #22. Page 40, line 20, by striking <economic
2 34 development> and inserting <education>
2 35 #23. Page 40, line 29, by striking <economic
2 36 development> and inserting <education>
2 37 #24. Page 40, line 38, by striking <economic
2 38 development> and inserting <education>
2 39 #25. Page 40, line 39, by striking <education> and
2 40 inserting <economic development>
2 41 #26. By renumbering as necessary.

BRIAN SCHOENJAHN
S3287.2831 (2) 84
kh/tm



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Senate File 532 - Introduced

SENATE FILE
BY COMMITTEE ON
APPROPRIATIONS

(SUCCESSOR TO SSB
1209)

A BILL FOR

1 An Act relating to flood mitigation by establishing a flood
2 mitigation program, establishing a flood mitigation board,
3 authorizing the use of certain sales tax revenue and
4 other financial assistance for flood mitigation projects,
5 establishing a flood mitigation fund, authorizing the
6 issuance of bonds for certain flood mitigation projects, and
7 including effective date provisions.
8 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
TLSB 2776SV (2) 84
md/sc



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1 1 Section 1. Section 29C.8, subsection 3, Code 2011, is
1 2 amended by adding the following new paragraph:
1 3 NEW PARAGRAPH. h. Carry out duties related to the flood
1 4 mitigation program and the flood mitigation board under chapter
1 5 418.
1 6 Sec. 2. Section 331.430, subsection 2, Code 2011, is amended
1 7 by adding the following new paragraph:
1 8 NEW PARAGRAPH. d. Payments required to be made from the
1 9 debt service fund to a flood project fund under section 418.14,
1 10 subsection 5.
1 11 Sec. 3. Section 384.4, subsection 1, Code 2011, is amended
1 12 by adding the following new paragraph:
1 13 NEW PARAGRAPH. e. Payments required to be made from the
1 14 debt service fund to a flood project fund under section 418.14,
1 15 subsection 5.
1 16 Sec. 4. NEW SECTION. 418.1 Definitions.
1 17 For purposes of this chapter, unless the context otherwise
1 18 requires:
1 19 1. "Base year" means the fiscal year ending during the
1 20 calendar year in which the governmental entity's project is
1 21 approved by the board under section 418.9.
1 22 2. "Board" means the flood mitigation board as created in
1 23 section 418.5.
1 24 3. "Division" means the homeland security and emergency
1 25 management division of the department of public defense.
1 26 4. "Governmental entity" means any of the following:
1 27 a. A county.
1 28 b. A city.
1 29 c. A joint board or other legal or administrative entity
1 30 established or designated in an agreement pursuant to chapter
1 31 28E between a county and one or more cities located within the
1 32 county.
1 33 5. "Project" means the construction and reconstruction
1 34 of levees, embankments, impounding reservoirs, or conduits
1 35 that are necessary for the protection of property from the



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Senate File 532 - Introduced continued

2 1 effects of floodwaters and may include the deepening, widening,
2 2 alteration, change, diversion, or other improvement of
2 3 watercourses if necessary for the protection of such property
2 4 from the effects of floodwaters.

2 5 6. "Retail establishment" means a business operated by a
2 6 retailer as defined in section 423.1.

2 7 7. "Sales tax" means the sales and services tax imposed
2 8 pursuant to section 423.2.

2 9 Sec. 5. NEW SECTION. 418.4 Projects.

2 10 1. A governmental entity may use the moneys in its flood
2 11 project fund established pursuant to section 418.13 to fund
2 12 projects that meet the requirements of this section.

2 13 2. Prior to undertaking a project, the governmental entity
2 14 shall adopt a project plan. The project plan shall include
2 15 a detailed description of the project, clearly state the
2 16 cost of the project and the amount of debt to be incurred
2 17 for purposes of funding the project, and include a detailed
2 18 description of all funding sources for the project, including
2 19 information relating to either the proposed use of financial
2 20 assistance from the flood mitigation fund under section 418.10
2 21 or the proposed use of sales tax increment revenues received
2 22 under section 418.12. The project plan shall also include
2 23 information related to the approval criteria in section 418.9,
2 24 subsection 2.

2 25 3. A governmental entity shall not undertake a project under
2 26 this chapter unless all of the following conditions are met:

2 27 a. Bidding for the project has been completed.

2 28 b. The project has been approved to receive financial
2 29 assistance in an amount equal to at least twenty percent of
2 30 the total project cost or thirty million dollars, whichever
2 31 is less, under the federal Water Resources Development Act or
2 32 other federal program providing assistance specifically for
2 33 hazard mitigation.

2 34 c. The project plan has been approved by the board under
2 35 section 418.9.



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3 1 d. Following approval of the project plan by the board,
3 2 the governmental entity has adopted a resolution authorizing
3 3 the use of sales tax increment revenue from the governmental
3 4 entity's flood project fund, if sales tax increment revenue
3 5 was approved by the board as a funding source for the project.
3 6 Within ten days of adoption, the governmental entity shall
3 7 provide a copy of the resolution to the department of revenue.
3 8 4. A governmental entity shall not seek approval from the
3 9 board for a project if the governmental entity previously
3 10 had a project approved pursuant to section 418.9 or if the
3 11 governmental entity previously was part of a governmental
3 12 entity as defined in section 418.1, subsection 4, paragraph "c",
3 13 that had a project approved pursuant to section 418.9.
3 14 4A. If a project is eligible for state financial assistance
3 15 under section 29C.6, subsection 17, such project is ineligible
3 16 for approval by the board under this chapter.
3 17 5. Following approval of a project under section 418.9, the
3 18 governmental entity shall on or before December 15 of each year
3 19 submit a report to the board detailing all of the following:
3 20 a. The current status of the project.
3 21 b. Total expenditures and the types of expenditures that
3 22 have been made related to the project.
3 23 c. The amount of the total project cost remaining as of the
3 24 date the report is submitted.
3 25 d. The amounts, types, and sources of funding being used.
3 26 e. The amount of bonds issued or other indebtedness incurred
3 27 for the project, including information related to the rate of
3 28 interest, length of term, costs of issuance, and net proceeds.
3 29 The report shall also include the amounts and types of moneys
3 30 used for payment of such bonds or indebtedness.
3 31 6. A governmental entity may contract with a council of
3 32 governments to perform any duty or power authorized under this
3 33 chapter or for the completion of a project.
3 34 Sec. 6. NEW SECTION. 418.5 Flood mitigation board.
3 35 1. The flood mitigation board is established consisting of



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4 1 nine voting members and four ex officio, nonvoting members, and
4 2 is located for administrative purposes within the division.
4 3 The administrator of the division shall provide office space,
4 4 staff assistance, and necessary supplies and equipment for
4 5 the board. The administrator shall budget funds to pay the
4 6 necessary expenses of the board. In performing its functions,
4 7 the board is performing a public function on behalf of the
4 8 state and is a public instrumentality of the state.
4 9 2. The voting membership of the board shall include all of
4 10 the following:
4 11 a. Four members of the general public. Each general public
4 12 member of the board shall have demonstrable experience or
4 13 expertise in the field of natural disaster or flood mitigation.
4 14 b. The director of the department of natural resources or
4 15 the director's designee.
4 16 c. The secretary of agriculture or the secretary's designee.
4 17 d. The treasurer of state or the treasurer's designee.
4 18 e. The administrator of the division or the administrator's
4 19 designee.
4 20 f. The executive director of the Iowa finance authority or
4 21 the executive director's designee.
4 22 3. The general public members shall be appointed by
4 23 the governor, subject to confirmation by the senate. The
4 24 appointments shall comply with sections 69.16 and 69.16A.
4 25 4. The chairperson and vice chairperson of the board shall
4 26 be designated by the governor from the board members listed
4 27 in subsection 2. In case of the absence or disability of the
4 28 chairperson and vice chairperson, the members of the board
4 29 shall elect a temporary chairperson by a majority vote of those
4 30 members who are present and voting.
4 31 5. The members appointed under subsection 2, paragraph
4 32 "a", shall be appointed to three-year staggered terms and the
4 33 terms shall commence and end as provided by section 69.19. If
4 34 a vacancy occurs, a successor shall be appointed to serve the
4 35 unexpired term. A successor shall be appointed in the same



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5 1 manner and subject to the same qualifications as the original
5 2 appointment.
5 3 6. The board's ex officio membership shall include four
5 4 members of the general assembly with one each appointed by
5 5 the majority leader of the senate, the minority leader of the
5 6 senate, the speaker of the house of representatives, and the
5 7 minority leader of the house of representatives. A legislative
5 8 member serves for a term as provided in section 69.16B in an ex
5 9 officio, nonvoting capacity and is eligible for per diem and
5 10 expenses as provided in section 2.10.
5 11 7. A majority of the board constitutes a quorum.
5 12 Sec. 7. NEW SECTION. 418.6 Expenses of board members.
5 13 The voting members of the board are entitled to receive
5 14 reimbursement for actual expenses incurred while engaged in the
5 15 performance of official duties. A member of the board is not
5 16 eligible to receive the additional expense allowance provided
5 17 in section 7E.6, subsection 2.
5 18 Sec. 8. NEW SECTION. 418.7 Division duties.
5 19 The division, subject to approval by the board, shall
5 20 adopt administrative rules pursuant to chapter 17A necessary
5 21 to administer the flood mitigation program. The division
5 22 shall provide the board with assistance in implementing
5 23 administrative functions and providing technical assistance and
5 24 application assistance to applicants under the program.
5 25 Sec. 9. NEW SECTION. 418.8 Flood mitigation program.
5 26 1. The board shall establish and the division, subject
5 27 to direction and approval by the board, shall administer a
5 28 flood mitigation program to assist governmental entities
5 29 in undertaking projects approved under this chapter. The
5 30 flood mitigation program shall include projects approved
5 31 by the board to utilize either financial assistance from
5 32 the flood mitigation fund created under section 418.10 or
5 33 sales tax revenues remitted to the governmental entity under
5 34 section 418.12. A governmental entity shall not be approved
5 35 by the board to utilize both financial assistance from the



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6 1 flood mitigation fund and sales tax revenues remitted to the
6 2 governmental entity.
6 3 2. The board shall, by rules adopted under section
6 4 418.7, prescribe application instructions, forms, and other
6 5 requirements deemed necessary to operate the flood mitigation
6 6 program.
6 7 3. The board may contract with or otherwise consult with the
6 8 Iowa flood center, established under section 466C.1, to assist
6 9 the board in administering the flood mitigation program.
6 10 4. The board shall submit a written report to the governor
6 11 and the general assembly on or before January 15 of each year.
6 12 The report shall include information relating to all projects
6 13 approved by the board for inclusion in the flood mitigation
6 14 program, the status of such projects, summaries of each report
6 15 submitted to the board under section 418.4, subsection 5,
6 16 information relating to the types of funding being used for
6 17 each approved project, including all indebtedness incurred by
6 18 the applicable governmental entities, and any recommendations
6 19 for legislative action to modify the provisions of this
6 20 chapter.
6 21 Sec. 10. NEW SECTION. 418.9 Project application review.
6 22 1. a. A governmental entity shall submit an application
6 23 to the board for approval of a project plan. The board shall
6 24 not approve a project for inclusion in the program if the
6 25 application is submitted after January 1, 2016.
6 26 b. The application shall specify whether the governmental
6 27 entity is requesting financial assistance from the flood
6 28 mitigation fund or approval for the use of sales tax revenues.
6 29 Applications for financial assistance from the flood mitigation
6 30 fund shall describe the type and amount of assistance
6 31 requested. Applications for the use of sales tax revenues
6 32 shall state the amount of sales tax revenues necessary for
6 33 completion of the project.
6 34 2. Each application shall include or have attached to
6 35 the application, the governmental entity's project plan



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7 1 adopted under section 418.4, subsection 2. When reviewing
7 2 applications, in addition to the project plan, the board shall
7 3 consider, at a minimum, all of the following:
7 4 a. Whether the project is designed to mitigate future
7 5 flooding of property that has sustained significant flood
7 6 damage and is likely to sustain significant flood damage in the
7 7 future.
7 8 b. Whether the project plan addresses the impact of flooding
7 9 both upstream and downstream from the area where the project is
7 10 to be undertaken.
7 11 c. Whether the area that would benefit from the project's
7 12 flood mitigation efforts is valuable to the economic viability
7 13 of the state or is of historic value to the state.
7 14 d. The extent to which the project would utilize local
7 15 matching funds. The board shall not approve a project unless
7 16 at least fifty percent of the total cost of the project, less
7 17 any federal financial assistance for the project, is funded
7 18 using local matching funds, and unless the project will result
7 19 in nonpublic investment in the governmental entity's area as
7 20 defined in section 418.11, subsection 3, of an amount equal to
7 21 fifty percent of the total cost of the project. For purposes
7 22 of this paragraph, "nonpublic investment" means investment
7 23 by nonpublic entities consisting of capital investment or
7 24 infrastructure improvements occurring in anticipation of or as
7 25 a result of the project during the period of time between July
7 26 1, 2008, and ten years following completion of the project.
7 27 e. The extent of nonfinancial support committed to the
7 28 project from public and nonpublic sources.
7 29 f. The net number of new jobs proposed to be created as a
7 30 direct result of the project and its completion in the area for
7 31 which the project is designed to mitigate future flooding.
7 32 g. Whether the project plan is consistent with the
7 33 applicable comprehensive, countywide emergency operations plan
7 34 in effect.
7 35 h. Whether financial assistance through the flood mitigation



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8 1 program is essential to meet the necessary expenses or serious
8 2 needs of the governmental entity related to flood mitigation.
8 3 3. Upon review of the applications, the board, following
8 4 consultation with the department of economic development, shall
8 5 approve, defer, or deny the applications. If a project plan
8 6 is denied, the board shall state the reasons for the denial
8 7 and the governmental entity may resubmit the application so
8 8 long as the application is filed on or before January 1, 2016.
8 9 If a project plan application is approved, the board shall
8 10 specify whether the governmental entity is approved for the
8 11 use of sales tax revenues under section 418.12 or whether the
8 12 governmental entity is approved to receive financial assistance
8 13 from the flood mitigation fund under section 418.10. If
8 14 the board approves a project plan application that includes
8 15 financial assistance from the flood mitigation fund, the board
8 16 shall negotiate and execute on behalf of the division all
8 17 necessary agreements to provide such financial assistance.
8 18 4. The board shall not approve a project plan application
8 19 that includes financial assistance from the flood mitigation
8 20 fund or the use of sales tax revenue to pay principal and
8 21 interest on or to refinance any debt or other obligation
8 22 existing prior to the approval of the project.
8 23 5. Upon approval of an application for financial assistance
8 24 under the program, the board shall notify the treasurer of
8 25 state regarding the amount of moneys needed to satisfy the
8 26 award of financial assistance and the terms of the award. The
8 27 treasurer of state shall notify the division any time moneys
8 28 are disbursed to a recipient of financial assistance under the
8 29 program.
8 30 6. If, following approval of a project application under the
8 31 program, it is determined that the amount of federal financial
8 32 assistance under section 418.4, subsection 3, paragraph "b",
8 33 exceeds the amount of federal financial assistance specified in
8 34 the application, the board shall reduce the award of financial
8 35 assistance from the flood mitigation fund or reduce the amount



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9 1 of sales tax revenue to be received for the project by a
9 2 corresponding amount.
9 3 Sec. 11. NEW SECTION. 418.10 Flood mitigation fund.
9 4 1. A flood mitigation fund is created as a separate and
9 5 distinct fund in the state treasury under the control of the
9 6 board and consists of moneys appropriated by the general
9 7 assembly and any other moneys available to and obtained or
9 8 accepted by the board for placement in the fund. Moneys in the
9 9 fund shall only be used for the purposes of this section.
9 10 2. Payments of interest, repayments of moneys loaned
9 11 pursuant to this chapter, and recaptures of grants, if provided
9 12 for in the financial assistance agreements, shall be deposited
9 13 in the fund.
9 14 3. The moneys in the fund shall be used to provide
9 15 assistance in the form of grants, loans, and forgivable loans.
9 16 The use of moneys in the fund for such assistance shall be on
9 17 a first-come, first-served basis. The board may only provide
9 18 financial assistance from moneys in the fund.
9 19 4. Moneys in the fund are not subject to section 8.33.
9 20 Notwithstanding section 12C.7, subsection 2, interest or
9 21 earnings on moneys in the fund shall be credited to the fund.
9 22 5. If any portion of the moneys appropriated for deposit
9 23 in the fund have not been awarded during the fiscal year for
9 24 which the appropriation is made, the portion which has not
9 25 been awarded may be utilized by the board to provide financial
9 26 assistance under the program in subsequent fiscal years.
9 27 6. The board may make a multiyear commitment to a
9 28 governmental entity of up to four million dollars in any one
9 29 fiscal year.
9 30 7. Moneys received by a governmental entity from the fund
9 31 shall be deposited in the governmental entity's flood project
9 32 fund under section 418.13.
9 33 8. The board is not required to award financial assistance
9 34 pursuant to this section unless moneys are appropriated to and
9 35 available from the fund.



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10 1 9. Following completion of all projects approved to utilize
10 2 financial assistance from the fund and upon a determination
10 3 by the board that remaining moneys in the fund are no longer
10 4 needed for the program, all moneys remaining in the fund or
10 5 subsequently deposited in the fund shall be credited for
10 6 deposit in the general fund of the state.

10 7 Sec. 12. NEW SECTION. 418.11 Sales tax increment
10 8 calculation.

10 9 1. The department of revenue shall calculate quarterly the
10 10 amount of increased sales tax revenues to be deposited in the
10 11 sales tax increment fund pursuant to section 423.2, subsection
10 12 11, paragraph "a", subparagraph (2).

10 13 2. The department of revenue shall calculate the amount of
10 14 the increase for purposes of subsection 1 as follows:

10 15 a. Determine the amount of sales tax revenue collected by
10 16 the department in each applicable area specified in subsection
10 17 3, during the corresponding quarter in the base year from
10 18 retail establishments located in such areas.

10 19 b. Determine the amount of sales tax revenue collected by
10 20 the department in each applicable area specified in subsection
10 21 3, during the corresponding quarter in each subsequent calendar
10 22 year from retail establishments located in such areas.

10 23 c. Subtract the base year quarterly amount determined in
10 24 paragraph "a" from the subsequent calendar year quarterly
10 25 amount determined in paragraph "b".

10 26 d. The result of the calculation in paragraph "c", to
10 27 the extent that the amount of revenue in the quarter of the
10 28 subsequent year exceeds the total amount of revenue in the
10 29 corresponding quarter of the base year, shall constitute the
10 30 amount of increased revenues for purposes of subsection 1.

10 31 3. a. For projects approved for a governmental entity as
10 32 defined in section 418.1, subsection 4, paragraph "a", the area
10 33 used to determine the sales tax increment shall include only
10 34 the unincorporated areas of the county.

10 35 b. For projects approved for a governmental entity as



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11 1 defined in section 418.1, subsection 4, paragraph "b", the area
11 2 used to determine the sales tax increment shall include only
11 3 the incorporated areas of the city.

11 4 c. For projects approved for a governmental entity as
11 5 defined in section 418.1, subsection 4, paragraph "c", the
11 6 area used to determine the sales tax increment shall include
11 7 the incorporated areas of each city that is participating in
11 8 the chapter 28E agreement and the unincorporated areas of the
11 9 county.

11 10 4. Each governmental entity shall assist the department
11 11 of revenue in identifying retail establishments in the
11 12 governmental entity's applicable area that are collecting sales
11 13 tax. This process shall be ongoing until the governmental
11 14 entity ceases to utilize sales tax revenue under this chapter.

11 15 Sec. 13. NEW SECTION. 418.12 Sales tax increment fund.

11 16 1. A sales tax increment fund is established as a separate
11 17 and distinct fund in the state treasury under the control of
11 18 the department of revenue consisting of the amount of the
11 19 increased state sales and services tax revenues collected by
11 20 the department of revenue within each applicable area specified
11 21 in section 418.11, subsection 3, and deposited in the fund
11 22 pursuant to section 423.2, subsection 11, paragraph "a",
11 23 subparagraph (2). Moneys in the fund shall only be used for
11 24 the purposes of this section.

11 25 2. An account is created within the fund for each
11 26 governmental entity that has adopted a resolution under section
11 27 418.4, subsection 3, paragraph "d".

11 28 3. The department of revenue shall credit to the fund the
11 29 moneys described in subsection 1 beginning the first day of the
11 30 quarter following receipt of a resolution under section 418.4,
11 31 subsection 3, paragraph "d". However, in no case shall a sales
11 32 tax increment be calculated under section 418.11 or such moneys
11 33 be credited to the fund under this section prior to January 1,
11 34 2013.

11 35 4. a. A governmental entity may request remittance of



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12 1 the moneys in the governmental entity's account within the
12 2 fund. Such requests shall be made not more than quarterly.
12 3 Requests for remittance shall be submitted on forms prescribed
12 4 by the department of revenue. Requests for remittance shall
12 5 be made for the amount of moneys in the governmental entity's
12 6 account necessary to pay the governmental entity's costs or
12 7 obligations related to the project, according to the sales
12 8 tax revenue funding needs specified in the approved project
12 9 plan. A governmental entity shall not, however, during any
12 10 fiscal year receive remittances under this section exceeding
12 11 fifteen million dollars or the total yearly amount of increased
12 12 revenue in the governmental entity's applicable area, whichever
12 13 is less. The total amount of remittances during any fiscal
12 14 year for all governmental entities approved to use sales tax
12 15 revenues under this chapter shall not exceed, in the aggregate,
12 16 thirty million dollars. Remittances from the department of
12 17 revenue shall be deposited in the governmental entity's flood
12 18 project fund under section 418.13.

12 19 b. The department of revenue shall adopt rules for the
12 20 remittance of moneys to governmental entities.

12 21 5. If the department of revenue determines that the revenue
12 22 accruing to the fund or accounts within the fund exceeds
12 23 thirty million dollars or exceeds the amount necessary for
12 24 the purposes of this chapter if the amount necessary is less
12 25 than thirty million dollars, then those excess moneys shall
12 26 be credited by the department of revenue for deposit in the
12 27 general fund of the state.

12 28 Sec. 14. NEW SECTION. 418.13 Flood project fund.

12 29 1. Sales tax revenue remitted by the department of revenue
12 30 to a governmental entity under section 418.12 or financial
12 31 assistance received by a governmental entity pursuant to
12 32 section 418.10 shall be deposited in the governmental entity's
12 33 flood project fund created for purposes of this chapter and
12 34 shall be used to fund the governmental entity's approved
12 35 project and to pay principal and interest on bonds issued



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13 1 pursuant to section 418.14, if applicable.
13 2 2. In addition to the moneys received pursuant to section
13 3 418.10 or 418.12, a governmental entity may deposit in the
13 4 flood project fund any other moneys lawfully received by the
13 5 governmental entity.
13 6 Sec. 15. NEW SECTION. 418.14 Bond issuance.
13 7 1. a. A governmental entity receiving sales tax revenues
13 8 pursuant to this chapter is authorized to issue bonds that are
13 9 payable from revenues deposited in the governmental entity's
13 10 flood project fund created pursuant to section 418.13 for the
13 11 purpose of funding a project in the area from which sales tax
13 12 revenues will be utilized.
13 13 b. A governmental entity shall have the authority to pledge
13 14 irrevocably to the payment of the bonds an amount of revenue
13 15 derived from the sales tax revenue received by the governmental
13 16 entity pursuant to section 418.12 for each of the years the
13 17 bonds remain outstanding.
13 18 2. a. If a governmental entity elects to authorize the
13 19 issuance of bonds payable as provided in this section, the
13 20 governmental entity shall follow the authorization procedures
13 21 for cities set forth in section 384.83.
13 22 b. A governmental entity shall have the authority to issue
13 23 bonds for the purpose of refunding outstanding bonds issued
13 24 under this section without otherwise complying with the notice
13 25 and hearing provisions of section 384.83.
13 26 3. If less than four calendar quarters have elapsed
13 27 following the submission of the resolution to the department of
13 28 revenue under section 418.4, subsection 3, paragraph "d", the
13 29 sales tax collected within the shorter period may be adjusted
13 30 to project the collections of the designated portion for the
13 31 full year for the purpose of determining the amount of the
13 32 bonds which may be issued.
13 33 4. a. Except as otherwise provided in this section,
13 34 bonds issued pursuant to this section shall not be subject to
13 35 the provisions of any other law or charter relating to the



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14 1 authorization, issuance, or sale of bonds.
14 2 b. The bonds may be issued in one or more series and shall
14 3 comply with all of the following:
14 4 (1) The bonds shall bear the date of issuance.
14 5 (2) The bonds shall specify whether they are payable on
14 6 demand or the time of maturity.
14 7 (3) The bonds shall bear interest at a rate not exceeding
14 8 that permitted by chapter 74A.
14 9 (4) The bonds shall be in a denomination or denominations,
14 10 be in the form, have the rank or priority, be executed in
14 11 the manner, be payable in the medium of payment, at the
14 12 place or places, be subject to the terms of redemption, with
14 13 or without premium, be secured in the manner, and have the
14 14 other characteristics, as may be provided by the resolution
14 15 authorizing their issuance.
14 16 c. The bonds may be sold at public or private sale at a
14 17 price as may be determined by the governmental entity.
14 18 5. a. Bonds, notes, or other obligations issued by a
14 19 governmental entity for purposes of financing a project under
14 20 this chapter are not an obligation of this state. Except as
14 21 provided in paragraph "b", bonds, notes, or other obligations
14 22 issued by a governmental entity for purposes of financing
14 23 a project under this chapter are not an obligation of any
14 24 political subdivision of this state other than the governmental
14 25 entity. A governmental entity shall not pledge the credit or
14 26 taxing power of this state. Except as provided in paragraph
14 27 "b", a governmental entity shall not pledge the credit or taxing
14 28 power of any political subdivision of this state other than the
14 29 governmental entity or make its debts payable out of any of the
14 30 moneys except those in the governmental entity's flood project
14 31 fund.
14 32 b. If the moneys in the governmental entity's flood project
14 33 fund are insufficient to pay the governmental entity's costs
14 34 related to bonds, notes, or other obligations issued under
14 35 this chapter, the amounts necessary to pay such costs shall



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15 1 be transferred for deposit in the governmental entity's flood
15 2 project fund from the debt service fund of the county or the
15 3 debt service fund of the city or county for a governmental
15 4 entity as defined in section 418.1, subsection 4, paragraph
15 5 "c", as provided in the chapter 28E agreement. The chapter
15 6 28E agreement for a governmental entity as defined in
15 7 section 418.1, subsection 4, paragraph "c", shall specify the
15 8 participating city or county responsible for any payment from a
15 9 debt service fund required under this paragraph.

15 10 Sec. 16. NEW SECTION. 418.15 Durational limitation on use
15 11 of revenues ==== property disposition.

15 12 1. A governmental entity shall not utilize sales tax revenue
15 13 under this chapter after twenty=five years from the date the
15 14 governmental entity's project was approved by the board.

15 15 2. If the governmental entity ceases to need the sales
15 16 tax revenues prior to the expiration of the limitation under
15 17 subsection 1, the governmental entity shall notify the director
15 18 of revenue.

15 19 3. Upon the receipt of a notification pursuant to subsection
15 20 2, or the expiration of the limitation under subsection 1, the
15 21 department of revenue shall cease to credit revenues to the
15 22 governmental entity's account in the sales tax increment fund.

15 23 4. All property and improvements acquired by a governmental
15 24 entity as defined in section 418.1, subsection 4, paragraph
15 25 "c", relating to a project shall be transferred to the county
15 26 or city designated in the chapter 28E agreement to receive
15 27 such property and improvements. The city or county to which
15 28 such property or improvements are transferred shall, unless
15 29 otherwise provided in the chapter 28E agreement, be solely
15 30 responsible for the ongoing maintenance and support of such
15 31 property and improvements.

15 32 Sec. 17. Section 423.2, subsection 11, Code 2011, is amended
15 33 to read as follows:

15 34 11. a. (1) All revenues arising under the operation of the
15 35 provisions of this section shall be deposited into the general



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16 1 fund of the state.

16 2 (2) Subsequent to the deposit into the general fund of
16 3 the state, the director shall credit an amount equal to
16 4 six cents of every dollar of the amount of the increase
16 5 in sales subject to the tax imposed under this section and
16 6 made in the applicable area of a governmental entity that is
16 7 approved to use sales tax revenues under chapter 418 into an
16 8 account created for that governmental entity in the sales
16 9 tax increment fund created in section 418.12. The director
16 10 shall credit the moneys beginning the first day of the quarter
16 11 following adoption of the resolution pursuant to section 418.4,
16 12 subsection 3, paragraph "d".

16 13 b. Subsequent to the deposit into the general fund of the
16 14 state ~~and after the transfer of such~~ pursuant to paragraph "a",
16 15 the department shall do the following in the order prescribed:

16 16 (1) Transfer the revenues collected under chapter 423B, ~~the~~
16 17 ~~department shall transfer.~~

16 18 (2) Transfer one-sixth of such the remaining revenues to the
16 19 secure an advanced vision for education fund created in section
16 20 423F.2. This ~~paragraph~~ subparagraph (2) is repealed December
16 21 31, 2029.

16 22 (3) Credit that portion of the sales tax receipts described
16 23 in paragraph "a", subparagraph (2).

16 24 Sec. 18. EFFECTIVE UPON ENACTMENT. This Act, being deemed
16 25 of immediate importance, takes effect upon enactment.

16 26 EXPLANATION

16 27 This bill relates to flood mitigation by establishing a
16 28 flood mitigation program, establishing a flood mitigation
16 29 board, authorizing the use of certain sales tax revenue and
16 30 other financial assistance for certain flood-related projects,
16 31 establishing a flood mitigation fund, and authorizing the
16 32 issuance of bonds for certain flood mitigation projects.

16 33 The bill authorizes certain governmental entities to
16 34 undertake flood-related projects. The bill defines "project"
16 35 to mean the construction and reconstruction of levees,



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17 1 embankments, impounding reservoirs, or conduits that are
17 2 necessary for the protection of property from the effects
17 3 of floodwaters and may include the deepening, widening,
17 4 alteration, change, diversion, or other improvement of
17 5 watercourses if necessary for the protection of such property
17 6 from the effects of floodwaters. The bill requires a project
17 7 to be preceded by adoption of a project plan that includes a
17 8 detailed description of the project, clearly states the cost of
17 9 the project and the amount of debt to be incurred for purposes
17 10 of funding the project, and includes a description of all
17 11 funding sources for the project. The project plan must also
17 12 include information related to the approval criteria used by
17 13 the flood mitigation board.

17 14 The bill prohibits a governmental entity from undertaking
17 15 a project unless bidding for the project is complete, the
17 16 project has been approved to receive certain federal financial
17 17 assistance, the project plan has been approved by the flood
17 18 mitigation board, and the governmental entity has adopted and
17 19 filed with the department of revenue a resolution authorizing
17 20 the use of sales tax increment revenue, if sales tax increment
17 21 revenue was designated as a funding source for the project.
17 22 The bill authorizes a governmental entity to contract with a
17 23 council of governments to perform any duty or power authorized
17 24 in the bill or for the completion of the project.

17 25 The bill provides that a governmental entity may not seek
17 26 approval from the board for a project if the governmental
17 27 entity previously had a project approved under the flood
17 28 mitigation program or was part of a governmental entity that
17 29 previously had a project approved by the board under the flood
17 30 mitigation program.

17 31 The bill provides that a project eligible for state
17 32 financial assistance under Code section 29C.6(17) is ineligible
17 33 for approval by the board under the flood mitigation program.

17 34 The bill requires a governmental entity that has a project
17 35 approved by the flood mitigation board to prepare and submit an



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18 1 annual report on or before December 15 to the board detailing
18 2 the status and progress of the project.
18 3 The bill establishes a flood mitigation board within the
18 4 homeland security and emergency management division of the
18 5 department of public defense consisting of nine voting members
18 6 and four ex officio, nonvoting legislative members. The voting
18 7 membership of the board includes four members of the general
18 8 public having demonstrable experience or expertise in the field
18 9 of natural disaster or flood mitigation, the director of the
18 10 department of natural resources or the director's designee,
18 11 the secretary of agriculture or the secretary's designee,
18 12 the treasurer of state or the treasurer's designee, the
18 13 administrator of the homeland security and emergency management
18 14 division or the administrator's designee, and the executive
18 15 director of the Iowa finance authority or the executive
18 16 director's designee. Appointment of the general public members
18 17 shall be made by the governor, shall be subject to confirmation
18 18 by the senate, and shall be for three-year staggered terms.
18 19 The members of the board are entitled to receive reimbursement
18 20 for actual expenses incurred while engaged in the performance
18 21 of official duties.
18 22 The bill requires the board to establish and administer a
18 23 flood mitigation program to assist governmental entities in
18 24 undertaking approved projects. The flood mitigation program
18 25 includes projects approved by the board to utilize either
18 26 financial assistance from the flood mitigation fund created
18 27 in the bill or sales tax increment revenues remitted to the
18 28 governmental entity. The bill prohibits a project from being
18 29 approved by the board to utilize both financial assistance from
18 30 the flood mitigation fund and sales tax increment revenues for
18 31 the same project. The bill authorizes the board to consult
18 32 with the Iowa flood center to assist the board in administering
18 33 the flood mitigation program.
18 34 Governmental subdivisions must submit project applications
18 35 to the flood mitigation board for approval. The board is



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19 1 prohibited from approving applications submitted after
19 2 January 1, 2016. The application shall specify whether the
19 3 governmental entity is requesting financial assistance from
19 4 the flood mitigation fund or approval for the use of sales tax
19 5 increment revenues. Applications for financial assistance
19 6 from the flood mitigation fund are required to describe the
19 7 type and amount of assistance requested. Applications for the
19 8 use of sales tax increment revenues shall state the amount of
19 9 such revenues necessary for completion of the project. Each
19 10 application shall include, or have attached to the application,
19 11 the governmental entity's project plan.
19 12 The bill requires the board, when reviewing applications,
19 13 in addition to the governmental entity's project plan, to
19 14 consider, at a minimum, whether the project is designed
19 15 to mitigate future flooding of property that has sustained
19 16 significant flood damage and is likely to sustain significant
19 17 flood damage in the future, whether the project addresses
19 18 the impact of flooding both upstream and downstream from
19 19 the area where the project is to be undertaken, whether the
19 20 area that would benefit from the project's flood mitigation
19 21 efforts is valuable to the economic viability of the state or
19 22 is of historic value to the state, the extent to which the
19 23 project would utilize local matching funds including whether
19 24 the project meets specific local matching funds requirements,
19 25 whether the project will result in specified amounts of
19 26 nonpublic investment, as defined in the bill, the extent of
19 27 nonfinancial support from public and nonpublic sources, the
19 28 net number of new jobs proposed to be created as a direct
19 29 result of the project and its completion in the area for which
19 30 the project is designed to mitigate future flooding, whether
19 31 the project is consistent with the applicable comprehensive,
19 32 countywide emergency operations plan, and whether financial
19 33 assistance through the flood mitigation program is essential
19 34 to meet the necessary expenses or serious needs of the
19 35 governmental entity related to flood mitigation.



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20 1 Upon review of the applications, the flood mitigation
20 2 board, following consultation with the department of economic
20 3 development, shall approve, defer, or deny the applications.
20 4 If a project plan is denied, the board shall state the reasons
20 5 for the denial and the governmental entity may resubmit the
20 6 application so long as the application is filed on or before
20 7 January 1, 2016.
20 8 If a project plan application is approved, the board shall
20 9 specify whether the governmental entity is approved for the use
20 10 of sales tax increment revenues or whether the governmental
20 11 entity is approved to receive financial assistance from the
20 12 flood mitigation fund. If the board approves a project plan
20 13 application that includes financial assistance from the flood
20 14 mitigation fund, the board shall negotiate and execute on
20 15 behalf of the division all necessary agreements to provide such
20 16 financial assistance. The bill provides for the reduction of
20 17 an award of financial assistance from the flood mitigation fund
20 18 or a reduction in the amount of sales tax increment revenues
20 19 to be received for the project if federal financial assistance
20 20 exceeds the amount stated in the project plan application.
20 21 The bill requires the flood mitigation board to prepare
20 22 and submit an annual report to the governor and the general
20 23 assembly on or before January 15 containing certain information
20 24 relating to the projects approved by the board, certain
20 25 information relating to the governmental entities undertaking
20 26 each project, and any recommendations for legislative action to
20 27 modify the provisions of new Code chapter 418.
20 28 The bill establishes a flood mitigation fund as a separate
20 29 and distinct fund in the state treasury under the control of
20 30 the board. Moneys in the flood mitigation fund are used to
20 31 provide assistance in the form of grants, loans, and forgivable
20 32 loans. Assistance provided from the fund shall be on a
20 33 first-come, first-served basis. The board may make a multiyear
20 34 commitment to a governmental entity of up to \$4 million in
20 35 any one fiscal year. Following completion of all projects



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21 1 approved to utilize financial assistance from the fund and upon
21 2 a determination by the board that remaining moneys in the fund
21 3 are no longer needed for the program, all moneys remaining
21 4 in the fund or subsequently deposited in the fund shall be
21 5 credited for deposit in the general fund of the state.
21 6 The bill authorizes, upon approval of the flood mitigation
21 7 board, governmental entities to use increased sales tax
21 8 revenue collected within a specified area to fund projects.
21 9 For a governmental entity that is a county, the area used
21 10 to determine the sales tax increment shall include only the
21 11 unincorporated areas of the county. For a governmental entity
21 12 that is a city, the area used to determine the sales tax
21 13 increment shall include only the incorporated areas of the
21 14 city. For a governmental entity that is operated under a Code
21 15 chapter 28E agreement, the area used to determine the sales tax
21 16 increment shall include the incorporated areas of each city
21 17 that is participating in the Code chapter 28E agreement and the
21 18 unincorporated areas of the participating county.
21 19 To determine the amount of the increase in sales tax revenue,
21 20 the department of revenue calculates the amount of sales tax
21 21 revenues collected in a specified quarter in the base year and
21 22 the amount of tax revenues collected during the corresponding
21 23 quarter in subsequent years. The department of revenue
21 24 then subtracts the base year amount from the amounts in the
21 25 subsequent years to arrive at the amount of the increase.
21 26 The bill creates a sales tax increment fund within the
21 27 department of revenue and an account in the fund for each
21 28 governmental entity approved by the flood mitigation board to
21 29 use such revenues for a project. The department credits the
21 30 amount of the governmental entity's increased revenues to the
21 31 governmental entity's account. However, the bill specifies
21 32 that in no case shall a sales tax increment be credited to the
21 33 fund prior to January 1, 2013.
21 34 The bill allows each governmental entity to request
21 35 remittance of the moneys in the governmental entity's account



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22 1 within the fund. Such requests shall be made not more than
22 2 quarterly. Requests for remittance shall be made for the
22 3 amount of moneys in the governmental entity's account necessary
22 4 to pay the governmental entity's costs or obligations related
22 5 to the project, according to the sales tax revenue funding
22 6 needs specified in the approved project plan. A governmental
22 7 entity shall not, however, receive remittances during any
22 8 fiscal year exceeding \$15 million or the total yearly amount
22 9 of increased revenue in the governmental entity's applicable
22 10 area, whichever is less. Remittances from the department
22 11 of revenue are deposited in the governmental entity's flood
22 12 project fund. In addition, the total amount of remittances
22 13 during any fiscal year for all governmental entities approved
22 14 to use sales tax increment revenues under this chapter shall
22 15 not exceed, in the aggregate, \$30 million. If the department
22 16 of revenue determines that the revenue accruing to the sales
22 17 tax increment fund or accounts within the fund exceed \$30
22 18 million or the amount necessary for the purposes of new Code
22 19 chapter 418 if less than \$30 million, then those excess moneys
22 20 shall be credited by the department of revenue for deposit in
22 21 the general fund of the state.

22 22 The bill provides that moneys deposited in a governmental
22 23 entity's flood project fund shall be used to fund projects and
22 24 to pay principal and interest on bonds issued under the bill,
22 25 if applicable. The bill also provides that in addition to
22 26 the sales tax revenues remitted by the department of revenue
22 27 and financial assistance from the flood mitigation fund, a
22 28 governmental entity may deposit in the flood project fund any
22 29 other moneys lawfully received by the governmental entity.

22 30 The bill authorizes the issuance of bonds by a governmental
22 31 entity that are payable from moneys deposited in the
22 32 governmental entity's flood project fund if the governmental
22 33 entity is receiving sales tax revenue under the bill. In
22 34 issuing the bonds, the governmental entity must comply with
22 35 the revenue bond authorization procedures applicable to cities



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23 1 pursuant to Code section 384.83. The bill provides that bonds,
23 2 notes, or other obligations issued by a governmental entity are
23 3 not an obligation of the state. The bill also provides that,
23 4 except as specifically provided in the bill, bonds, notes, or
23 5 other obligations issued by a governmental entity are not an
23 6 obligation of any political subdivision of the state except the
23 7 governmental entity. The bill prohibits a governmental entity
23 8 from pledging the credit or taxing power of the state. Except
23 9 as specifically provided in the bill, a governmental entity
23 10 is prohibited from pledging the credit or taxing power of a
23 11 political subdivision of the state.

23 12 If the moneys in the governmental entity's flood project
23 13 fund are insufficient to pay the governmental entity's costs
23 14 related to bonds, notes, or other obligations issued under
23 15 the bill, the amounts necessary to pay such costs shall be
23 16 transferred for deposit in the governmental entity's flood
23 17 project fund from the debt service fund of the county or the
23 18 debt service fund of the city or county for a governmental
23 19 entity operating under a Code chapter 28E agreement, as
23 20 provided in the Code chapter 28E agreement.

23 21 The bill provides that a governmental entity shall not
23 22 utilize sales tax increment revenue under the bill after
23 23 25 years from the date the governmental entity's project
23 24 was approved by the board. The bill provides that if the
23 25 governmental entity ceases to need the sales tax increment
23 26 revenues prior to the expiration of such limitation, the
23 27 governmental entity shall notify the director of revenue.

23 28 Under the bill, all property and improvements acquired by a
23 29 governmental entity operated under a Code chapter 28E agreement
23 30 relating to a project shall be transferred to the county or
23 31 city designated in the Code chapter 28E agreement to receive
23 32 such property and improvements. The city or county to which
23 33 such property or improvements are transferred shall, unless
23 34 otherwise provided in the Code chapter 28E agreement, be solely
23 35 responsible for the ongoing maintenance and support of such



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24 1 property and improvements.
24 2 The bill takes effect upon enactment.
LSB 2776SV (2) 84
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